

PURCHASE PROCEDURE



ANDREW YULE & CO., LTD.

(A GOVT. OF INDIA ENTERPRISE)

8, Dr. Rajendra Prasad Sarani, Kolkata - 700 001

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ANDREW YULE & COMPANY LIMITED
(TO BE EFFECTIVE FROM JANUARY 01, 2014)

SHORT RECITAL

The present Purchase Procedure of the Company uniformly followed by all the Divisions and Units was approved by the Board of Directors of the Company in its meeting held on 18th February, 2005 and was made effective from 1st March, 2005. Since then, various changes has taken place in the economic policy of the Government like de-regularisation of controlled price of steel and oil, de-controlling of the supply of different metals and other raw-materials used by the Industry introduction of e-procurement and Central Vigilance Commission (CVC) has also issued different guidelines from time to time for bringing in more transparency and improvement in the Purchase Policy and Procedures to be followed by the Public Sector Enterprises. In the light of above changes and CVC guidelines, modification of the existing Purchase Procedure is strongly felt and accordingly the said Purchase Procedure is updated/ amended.

1.0 Purchase order (POs), for indigenous and imported items Work Orders (WOs) and contracts may be grouped as follows:

- a) POs for machinery, equipment & other capital items
- b) Works contracts in respect of Civil Works
- c) Installation, testing & commissioning of manufactured/procured items
- d) POs for raw materials, components, consumable stores, spares, repair & maintenance items, etc.
- e) POs for transportation/courier and other services.

2.0 **General Guidelines for Purchases :**

2.01 Where requirements are substantial, tender should be invited by the Unit on annual requirement basis with a view to reaping the benefit of bulk purchase rates. To quantify the exact requirement, the following factors need to be taken care of –

- 1) Available stock;
- 2) Pending supply against unexecuted Purchase Order;
- 3) Past consumption pattern;
- 4) Average shelf life of the equipment / Economic life span of the equipment;
- 5) Outstanding dues to suppliers;

Attempt may be made to explore the possibility of group purchase, wherever found possible.

2.02 Normally, for any approval/financial concurrence, the norms laid down in the Delegation of Power (DOP) should be followed in all cases unless specifically stated in appropriate place herein below. The requirement should not be intentionally bifurcated / split so as to avoid approval from higher authority.

- 2.03 The concept of maximum, minimum and re-ordering levels of stock holding may be applied wherever found possible. In the case of Tea Division, seasonal factors may be taken into consideration for procurement of materials.
- 2.04 Where this Purchase Procedure has not envisaged certain typicalities of the Unit concerned or in other respects where clarification becomes necessary, the matter should be referred to the CA/designated Head of Finance & Accounts (HFA) of the respective Divisions who will give his concurrence in writing in consultation with Divisional Head and/or Functional Director, where necessary.
- 2.05 All relevant supporting documents of any Purchase Order like Purchase Indent, Letter Inviting Quotations (LIQ), Quotations, correspondence with bidders, CSQ, Minutes of the Meeting of Tender Committee, Note for approval of competent authority as per DOP, etc. shall be kept in a single file along with the respective Purchase Order. All these papers should be serially numbered right from Purchase Indent. There shall be a total transparency in the Filing system maintained for preserving the files by Purchase Department, so that the files along with concerned documents can be easily located. If opening of the part files is unavoidable, the same shall subsequently be merged with the main file.

3.0 **Enlistment Procedure**

- 3.01 Every Unit should maintain a list of authorised enlisted dealers/suppliers of proprietary items where the supply is from limited sources. Such list would be prepared product-wise by the procuring personnel and put up to the Tender Committee (TC) who, after reviewing, will recommend to the concerned Divisional Head for approval. Once this list has been approved by the Divisional Head, this becomes a final list and shall remain valid for 3 years and be reviewed thereafter periodically for every 3 years. However, in the meanwhile, should the list require updating by inclusion of new suppliers or deletion as the case may be, this would be forwarded by TC for the approval of Divisional Head through CA/designated HFA of the Division.
- 3.02 In order to build up / develop vendors eligible for enlistment, press advertisement and advertisement through website should be made every 3 years, which would have to be updated for new vendors / fabricators / sub-contractors etc. The press advertisement should clearly state the various material requirements and the nature of the work / fabrication required by the respective Units. The eligibility criteria shall also be clear with regard to technical, manufacturing and financial capabilities of bidders and the same shall be as specific as possible so that the possibility of unqualified tenderers can be minimized. The list of approved vendors Unit / Division-wise with the additions made through Vendor development proposal shall be uploaded in company website and updated once in a year. For special jobs / contracts, the frequency of press tenders / insertion in website has been dealt with in this procedure.
- 3.03 The vendors who have not applied in response to press advertisement/advertisement in website but have been found capable of supplying or being developed for supply/services of the requirements, may also be considered for the purpose of enlistment by the TC with due approval from Unit Head prior to the approval from CA/designated HFA and Divisional Head/ Functional Director.
- 3.04 The form of Application for Enlistment (Annexure *IQR10-07* as applicable) is to be issued to each of the prospective vendors who shall reply to the press/website advertisement with all enclosures; those who have been found capable by the Unit , such form filled up in all respect with all enclosures be sent along

with the prescribed fee, if any, to the HFA & Divisional Head for scrutiny and approval. The manufacturers / vendors, where appropriate, should state in all cases whether they have been registered with the excise authorities in order to avail of the benefit of CENVAT credit. In case of enlistment through website, the prescribed Fees are to be sent along with the enlistment Form duly filled in. The prospective vendor who shall download the enlistment form from Website shall deposit the prescribed fees along with the enlistment form, duly filled in.

- 3.05 On receipt of the application for enlistment form which should be duly filled up in all respects, the purchase department along with Head of QA/ his nominated representative will arrange for inspection (where practicable) and will forward the same with their remarks to the TC for technical and financial vetting. The TC, after being satisfied will put the same to Unit Head and then CA/designated HFA and the **Divisional Head** for approval.

For tea gardens, in the absence of TC, financial concurrence will be given by the Group Accountant (Assam/Dooars) after vetting from garden manager regarding the technical capabilities of the vendor and they will be finally approved by the General Manager in charge of operations / Chief Executive, Tea Division.

- 3.06 Existing vendors should be asked to fill up the application for enlistment and complete formalities, if not done earlier.

- 3.07 Each vendor who have been qualified for supplying materials and / or for performing fabrication and sub-contracting services should be given a separate Regn. No. and details of the party should be entered in a register in the following format :

- a) Regn. No. and date of Regn.
- b) Name, address and telephone No.(mobile & land line), e-mail address
- c) Status of the organisation :
- d) MSMED Regn. No. & date (on verification of the relevant certificate) /NSIC Regn.No & Date where applicable
- e) PAN No.
Excise Regn. No.
VAT Regn. No.
CST Regn. No.
- f) 'Remark' column : To record vendor rating-(Form QR10-09/other similar approved forms): where general performance of the vendor will be noted from time to time and/or deleted on the basis of their actual performance evaluation by the Purchase Department. The Purchase Department should update the position based on feed back from technical departments/user units (for example, Garden Managers in the case of Tea Estates or Manager (QA/ inspection/ testing) of the concerned Unit of Electrical & Engineering Divn. as to (i) quality, (ii) timely delivery, (iii) after sales services, (iv) response to emergency maintenance etc. Vendor rating should be considered the basis of awarding Purchase Orders/Contracts in future, provided that the vendors should otherwise qualify the tender criteria.

This enlistment register should be maintained product-wise, keeping a separate section for each class of product procured. Registration No. will be allotted to each vendor. If any vendors is a supplier of more than one product the same registration no. will be used in respective product-wise groups.

This will also serve as a list of vendors (Form D10-01/ other similar approved forms) for limited tendering.

For Tea Division, names of vendors applying for in response to the advertisement & complying with other procedures as mentioned in 3.01 to 3.06 & otherwise found suitable by all the Garden Managers, commercial & finance personnel from respective Group Office shall be maintained in a Register & shall constitute as the approved Vendor list for the group. All existing Vendors/Contractors shall be deemed to perform satisfactorily unless expressly stated otherwise. At the time of fresh enlistment only past performance of the parties shall be considered excluding Authorized Dealers / Stockists who are nominated by the manufacturers.

3.08 Deletion of vendors - The name of any enlisted vendor may be deleted on any of the following grounds :

- a) For failing to submit tender/quotation consecutively three times without sufficient reason
- b) For leaving the job incomplete
- c) For holding back the company's material without proper justification and not executing the job in time
- d) For being debarred by the company
- e) For being involved in any irregularity like misappropriation of Company's funds in or without collusion with any official of the Company

The Purchase Dept., if dissatisfied, will put up a recommendation to the TC who will carry out necessary examination and will place their recommendation to Divisional Head through Unit Head prior to CA/ designated HFA, for final action.

For Tea Gardens, deletion of names of Vendors shall be made as per the clauses mentioned in 3.08 & shall be considered by all the garden Managers, finance & commercial personnel at Group Office who shall recommend for deletion of names to HOD of Tea Division.

3.09 Debarring of the vendors – If a situation arises where any enlisted vendors /contractor/fabricator/ sub-contractor's performance appears to be detrimental to the interest of the company such as supply of spurious material, or poor quality material, wrong execution of orders with respect to specifications, deliberately withholding deliveries, passing of design & drawings or developed/existing component/sub-component to competitors/others etc. the TC will examine such cases on reference from Purchase Dept./other key officials and recommend to Divisional Head for debarring of sub-vendors under intimation to Chief Vigilance Officer/HOD Vigilance. The procedure for informing the other PSUs as per BPE guidelines will have to be complied with and this process (of debarring vendors) is to be mentioned in Enlistment Form.

4.0 **Placement of Indent/Purchase Requisitions on Purchase Dept.**

- 4.01 i) For Raw Materials - For standard/regular materials, indent/purchase requisitions will be made by stores to Purchase Dept. In case of non-standard items, initiation of purchases will be done by the Production Planning Dept. The production planning dept in conjunction with the purchase dept should have total control over the movement of materials on the shop floor, materials with sub-contractors and in stores and also the incoming materials in pipeline. Taking the above points into consideration, the indent/purchase requisition should be made out by the stores/ production planning dept on the purchase dept for initiating purchase action.

In the case of Tea Division for standard materials / non-standard items, indents / purchase requisition will be raised by the Garden Managers on Purchase Dept.

- ii) For Consumable Stores - Indents/Purchase requisition should be initiated by the stores taking into consideration the requirements of various departments as informed to stores.
- iii) For Stores and Repair & Maintenance Materials - Indent/Purchase requisition in case of stock items should be raised by stores on purchase dept. In case of non-stock items (typical), direct indent will be made by the user dept after ensuring that adequate quantities are not in stores and a copy of such indent to be forwarded to stores.
- iv) For bought out components - Indent/Purchase requisition will be made by the production planning dept to purchase dept with a copy to stores. For items which are to be indented by sales/project sales, the latter should place Purchase Requisition to Purchase Dept for necessary action.
- v) For other Materials - The user dept should ensure firstly that the stores do not carry the materials which they require. Indent/Purchase requisition will be made thereafter to purchase dept by user dept.
- vi) For Sundry Repairs by outside Agency – Indent / Requisition from user dept should be routed through maintenance dept. (civil / mechanical / electrical) to ensure that the requirement cannot be met in-house. Thereafter, it will be placed on purchase dept by user dept.
- vii) For indents made by Sales Department- Indent/Requisition from user dept should be routed through production & Planning Department for better control.
- 4.02 It is essential to estimate the cost of the order before floating any tender inquiry on the same. In order to arrive at an estimated value of the Purchase, all indents/ Purchase Requisitions shall contain an estimated rate. For arriving at such estimate rate, the following data-base may be used as reference :
- i) Last Purchase price;
- ii) Prevailing market rate;
- iii) Economic indices for the raw-materials/ labour/ other input cost;
- iv) IEEMA formula wherever applicable.

- 4.03 In order to avoid excess, fraudulent, infructuous purchase, the quantity mentioned in the Indent/Purchase Requisition shall be determined after considering the factors like available stocks, average consumption pattern, lead time for procurement, dues of the supplier and outstanding supplies against pending orders.

In the Indent/ Purchase Requisition, the required delivery schedule for non-stock items, shall be mentioned. In case of stock items or items of bulk procurement or where the procurement is based on annual requirement, the delivery schedule should be staggered depending on the size of order and consumption pattern. Such staggered Delivery Schedule shall be mentioned in the Indent itself.

5.0 Enquiry Procedure

- 5.01 In case of proprietary items, and/or if the supply is from very limited number of sources, say five parties or less, or where the item has been developed on the basis of the Company's own design/ drawings, enquiry will be floated to all enlisted vendors irrespective of the value.

In case customer specifies certain manufacturers or make(s)/brand(s) for any material(s)/component(s), the enquiry will be floated to those manufacturers or the manufacturers of those make(s)/ brand(s) directly or to all those authorised dealers/ distributors for those make(s)/brands as recommended by the manufacturers, where the manufacturers do not sell them directly. When such items are procured from manufacturers' recommended dealers/ distributors, competitive quotations are required to assess the varied benefits offered by various dealers.

In case, where the indenting department specifies the brand, the same principle, as described above in respect of customer's specified brand shall also apply for floating enquiries, subject to Technical vetting by the Technical person competent to assess the particular item and nominated by Unit head.

For Tea Division, when the brand of major inputs, e.g. agro-chemicals, fertilizers, coal etc. are mentioned in the indents raised by the respective gardens, such items with specific brand names shall be procured either from the manufacturers directly or from their recommended/ nominated distributors/ authorised dealers.

However, in case of Tea Gardens where there are no nominated Dealers/Distributors available, quotations from enlisted parties from the respective group of suppliers may be taken.

- 5.02 In case of non-proprietary items, where the value is below Rs. 20 lakhs per annum and if the item is not covered by a rate contract, limited tender may be resorted to. Enquiry / Letter Inviting Quotations (LIQ) should be sent by the Purchase dept to vendors whose names appear in the approved list of vendors according to the Enlistment Register as described in para 3.07 above. Such Enquiry / LIQ shall be sent through any of the following modes :

- i) Under Certificate of Posting;
- ii) Through Courier/Speed Post;
- iii) Through Messenger;
- iv) By FAX
- v) E-Mail

In all the above cases, documentary proof of sending enquiry/LIQ shall be preserved. If any enquiry is sent through mode (ii) or (iii) above, acknowledgement of the addressee shall be obtained and preserved.

Where the enlisted parties are five or more in number, Enquiry/LIQ will be issued to at least 80% of the total number. In sending the Enquiry/LIQ, it should be ensured that all the parties get a chance to quote at regular intervals. However, if the enlisted parties are less than five in any product group, Enquiry/LIQ should be issued to all the parties.

5.03 (a) Normally, in cases of estimated order value exceeding Rs. 20 lakhs (per annum), where the items are neither of proprietary nature nor are the sources of supply limited, as stated in paras 5.01 and 5.02 above, the enquiry in the form of press tender will be made and where the said consumption cannot be ascertained, rate contract through press tendering can be initiated. The advertisement should be published in at least one English daily of all India circulation and one vernacular daily. In the tender document, the tender submission date and opening date of the tender are to be clearly mentioned. All envelopes for submission of tender should be super-scribed the tender no. & date. The Website address of the Company "www.andrewyule.com" must also be mentioned in the advertisement for the purpose of participating in the Tender. In addition to providing Tender documents manually and through post, etc., the complete bid documents along with application forms shall be published on the Company's Website also, so that the prospective bidder can download the form from the Website to submit their offer. Those offers shall be treated at par with the offers submitted through forms collected manually or through postal service or through courier service.

(b) 'e-procurement' :-

Pertaining to e-procurement the bids are required to be submitted through Websites by the Vendors. While doing so care should be taken that the application forms and other documents are made available in the website for the purpose of participation in the tender which must also remain up to date to avoid any confusion and harassment among the prospective bidders. Moreover, following procedure is to be maintained in order to make e-procurement system effective :

- i) Press Advertisement is required for visit at AYCL and MSTC website (at present or at any other designated site to have the Tender) both to have tender form and other details.
- ii) Short-listing of vendors will be done on the basis of credentials and submission of EMD to AYCL. The name of the short-listed vendor will be intimated to MSTC (at present) for conducting e-tendering.
- iii) Online bidding will be received through Internet from the short-listed vendors on a particular date and time and a CSQ is to be generated automatically by the system itself and the L-1 will be identified accordingly.

(c) In case of all open tenders, tender documents shall be sold against a price (which should not be below Rs.100/=) to partially cover the cost of advertisement. In case of tender documents downloaded from the Computer, the bidder shall be asked to pay the price of Tender documents through Demand Draft at the time of submission of bid documents. In case of e-procurement, tender fees are to be collected from vendors at the time of registration only.

(d) In respect of Electrical & Engineering Divn, the following critical production items (proprietary in nature) for which sources for procurement has been developed through intensive interaction with the vendors in the past for the purpose of standardisation of designs of the products of the Company are exempted from Press tendering and orders will be based on rate contract/ existing price/ limited tender among all approved vendors as these items can be procured from approved vendors only. Efforts should be made to develop sufficient vendor for such item, so that the item cannot be monopolised by single vendor :

- 1) OLTC
- 2) Tanks for AVR
- 3) Radiators for AVR
- 4) Condenser Bushing
- 5) Vacuum Interrupters
- 6) Contacts for LT & HT Switchgears
- 7) Relays
- 8) Forged Shafts
- 9) Forged Hubs
- 10) Actuators
- 11) Hydraulic Coupling
- 12) Special Electric Motors
- 13) Metaflex Coupling
- 14) Cast Steel Hubs
- 15) Silencer
- 16) Non-Metallic Expansion Joint
- 17) Current/ Potential/ Control Transformers for HT Switchgear
- 18) Cores for LT Contactors (both Stationary & Movable)
- 19) Bakelite Thermoset Moulding Powder
- 20) Porcelain Bushing
- 21) Flame-proof Switchgear Enclosures
- 22) AC Synchronous Motor with Gear and BAC Motor Box
- 23) Journal bearing of all sizes (subject to approval of COD)

24) Collecting and Discharge Electrodes. (subject to approval of COD)

Any addition to the above list required in future shall be made only after having concurrence from the Committee of Directors of the Company.

- (e) In the case of tea industry, since the purchase policy is to purchase major inputs like fertilizers, insecticides, weedicides, etc. directly from manufacturers or their nominated agents and wherever possible, only BIS/ISI certified components, limited tendering will be resorted to the Licensees of certifying authority on the basis of list of approved vendors as per BIS authorities or approved dealers of the concerned manufacturers.

In the above mentioned cases, the enquiry should be floated to the listed parties following the same principle of limited tendering.

- (f) In case of proprietary items, and/or if the supply is from very limited number of sources, say five parties or less, or where the item has been developed on the basis of the Company's own design/drawings, enquiry will be floated to all enlisted vendors irrespective of value.

In case customer specifies certain manufacturers or make(s)/brand(s) for any material(s)/component(s), the enquiry will be floated to those manufacturers or the manufacturers of those make(s)/brand(s) directly or to all those authorised dealers/ distributors for those make(s)/brands as recommended by the manufacturers, where the manufacturers do not sell them directly. When such items are procured from manufacturers' recommended dealers/ distributors, competitive quotations are required to assess the varied benefits offered by various dealers.

In case, where the indenting department specifies the brand, the same principle, as described above in respect of customer's specified brand shall also apply for floating enquiries, subject to Technical vetting by the Technical person competent to assess the particular item and nominated by Unit head.

For Tea Division, when the brand of major inputs e.g. agro-chemicals, fertilizers, etc. are mentioned in the indents raised by the respective gardens, such items with specific brand names shall be procured either from the manufacturers directly or from their recommended/ nominated distributors/ authorised dealers.

However, in case of Tea Gardens where there are no nominated Dealers/Distributors available, quotations of enlisted parties from the respective group of suppliers may be taken.

In case of proprietary items, procurement from single source shall be adopted in the following circumstances :

- i. It is in the knowledge of the User's Unit that only a particular firm is the manufacturer of the required goods.
- ii. In case of emergency or the required goods are reasonably to be procured from a particular source and the reason for such decision be recorded and approval of Divisional Head through C.A. shall be availed.

- iii. For standardization of machinery or spare parts or to incorporate in the final product customers' specific requirements, the required items to be procured from a selected company, a proprietary article certificate by the Processing Officer shall be invariably attached to the proposal in the following format :

The following declaration shall form part of each proprietary item procurement proposal :

- a) The indented goods are manufactured by M/s.
- b) No other make or model is acceptable for the reasons to be built at.
- c) Concurrence of Finance Wing.
- d) Approval of Competent Authority.

5.04 Tender/Bid Documents

5.04.1 (i) A unique numbering system shall be introduced by the Purchase Dept. of all the manufacturing Units, Tea Estates and O.M. section at Corporate Office to allot a reference number to each of the Limited Tender as well as Open Tender.

- (ii) In case of open tenders, the bid documents will be in two parts. The two part bid documents shall be applicable also in case of limited tender where prior technical assessment of the bidder is essential in view of the nature of Purchase. The first part shall deal with technical and commercial criteria, while the second part shall deal with prices only. Price bids will be opened only from those vendors whose technical specifications are found to be in order, i.e in conformity with the criteria as detailed in the tender enquiry.

Two part bid will not be necessary for standard items where technical appraisal/evaluation of the Vendors are not necessary. However, in such single part tender there has to be a stipulation in the tender that the terms and conditions and the specifications has to be accepted by the vendor unconditionally through a signed declaration in prescribed format. Bids will be rejected without such acceptance. This will be applicable for both limited and open tender.

- (iii) For limited tender of value above Rs five lakh, where no pre-qualification eligibility of the Bidders is required or does not arise to judge the price, one part tender may be arranged, provided no such commercial clarification are required to be taken by the Purchase Department after tender opening, otherwise Two-Part Bid system shall be applicable.

- (iv) Pre-qualifications and credentials to be eligible for selection, basic terms and conditions to be considered for evaluation/ exclusion and criteria thereof shall be specified unambiguously in the tender documents to maintain transparency and interest of equity and fairness.

The terms and conditions stipulated in bid documents shall be amply clear, specific and sufficient specially with respect to following particulars so as to avoid delay in submission of quotations in seeking clarifications on pertinent points.

- a) Last date of submission of offer and time and date for opening of tenders.
- b) Invitation of quotation in sealed cover.

- c) Complete and detail specifications/ bill of material/scope of work.
 - d) Make /brand, if any.
 - e) Basis of Pricing, i.e. whether fixed price contract or with Price Variation Clause;
 - f) Validity of the quoted price;
 - g) Point of delivery.
 - h) Schedule of delivery.
 - i) Taxes and duties- to be indicated by the bidder
 - j) Terms of payment
 - k) Validity of the offer
 - l) Warranty clause.
 - m) Penalty /liquidated damages clause;
 - n) Right to splitting of the order , where necessary;
 - o) Earnest money deposit;
 - p) List of approved vendors , if any , for different equipments;.
 - q) Performance bank guarantee;
 - r) Pre–dispatch inspection;
 - s) Arbitration Clause in case of disputes;
 - t) Risk Purchase Clause;
 - u) Inscription of the Tender and last date of submission;
 - v) Freight/Transportation of Materials including free issue of items in case of Sub-Contractors
- (v) EMD can be waived in the following cases by Divisional Head/CE
- i) For Contract value upto Rs. 100,000/-
 - ii) Procurement by Brand name or through authorised dealers/ distributor of manufacturer of the particular brand; however, in such cases, EMD will be applicable mandatorily for tenders of value over and above Rs. 5.00 lakhs;
 - iii) Procurement from the vendor whose turnover is more than Rs.50 crores.
 - iv) Procurement from micro small and medium scale industries
 - v) Procurement from vendor who has substantial dues (more than 5% of the estimated tender value) from the unit inviting tender.
 - vi) For items under 5.03 (d).
 - vii) For Tea Garden, EMD exemption is applicable for purchase of tea seeds and tea plants (saplings).

- (vi) Where PBG Clause is applicable, in place of Performance Bank Guarantee (PBG), the existing vendor may request for withholding of equivalent amount of bank guarantee value from the existing outstanding balance lying with the unit/division where applicable and that can be considered by the Tender Committee to waive the submission of PBG.

In any case the Bank Guarantee submitted by the Vendor should be checked with the concerned bank before issuing any Purchase Order.

- (vii) In case of all open tenders, Earnest Money Deposit (EMD) is mandatory. Amount of EMD shall be fixed on the basis of three-tier system as follows:-

Total Estimated Tender value Or Last Purchase Order	EMD amount
Rs 50 lakhs & above	Rs 50000.00
Rs 20-50 lakhs	Rs 20000.00
Upto Rs 20 lakhs	1% of the estimated Tender value. (In multiples of nearest thousand)

If any vendor has any dues from the Unit inviting tender, EMD may be adjusted against such dues on the basis of specific request of the vendor in writing in this regard in Part-I for open tender or other tenders. Part-I & Part-II tender should be inscribed otherwise it will be rejected.

In compliance with the Govt. guidelines, MSMED Units may be exempted from furnishing EMD/ BG in lieu of EMD on the basis of specific request from such MSMED Unit. If reason for non-submission of EMD or adjustment against the outstanding balance for EMD is not mentioned in part I of tender, the tender will be rejected.

EMD is to be returned to unsuccessful vendors as soon as the Purchase Order is issued on the selected vendor/ vendors; however, for selected vendor, EMD can be adjusted against submission of security deposit or PBG.

- (viii) In order to meet the dispatch / execution commitment with the customers, an acceptable range of delivery period shall be fixed with the stipulation that no credit shall be given for deliveries earlier than the scheduled delivery as mentioned in the concerned Purchase Orders.
- (ix) In case of procurement of non-BOM items, miscellaneous items/ services, if cash procurement is adopted due to urgency, the same should be limited to a maximum of Rs 10000/- after due approval of Unit Head. In each such case, extreme discretion is to be applied and due care should be taken that such provision is not used to bypass the normal purchase procedures.
- (x) In case of items under Administered Price List (H.S. Diesel etc.), procurement can be made on the basis of Administered Price List.
- (xi) In case of any EMD exempted tenderer become successful and fail to perform the job, the same shall be brought to the notice of Unit Head and Functional Head and actions such as, deduction of

EMD value from the dues if any, to inform the local Directorate of MSME, if the tenderer is the MSME Unit and will be debarred from participating in the future tenders for a period of time upto three years.

5.04.2 Receipt of Tender :

To facilitate submission of tender within stipulated time and date, a tender box with proper locking and sealing facilities shall be kept at the entrance/main gate of the Unit/HQ building. In case of Tender received by Post or Courier, the Receiving Department should record it on the face of the Envelope and drop the same in the Tender Box.

For Tea Gardens, Tender Box shall be placed / located in a secure position at the Garden Office.

5.04.3 Opening of Tender (applicable both for limited and open tender both) :

- (a) Sealed tender shall be opened at the appointed time & date of opening as declared in the tender/bid documents or enquiry letter. Bidders shall be invited to attend the tender opening in each tender irrespective of value.
- (b)
 - (i) Any two members of the tender committee (TC) , one of whom must be from finance, would open the sealed tender envelope(s) in presence of the tenderer(s) or their representative(s), who shall be present in the tender opening.
 - (ii) While opening the tenders, each tender shall be numbered serially, initialed and dated on the first page. Each page of the tender shall also be initialed with date and particularly, the prices, important terms and conditions etc. shall be encircled and initialed in red ink.
- (c) In case of two part bids, the bidders or their authorized representatives present in opening of the tender shall also sign on all the envelopes containing the price bid along with members of the Tender Committee opening the tender. This is in addition to signing in tender opening form to confirm presence of bidders or their authorised representative.
- (d) Alteration to tender, if any, made by the tenderer, shall be initialed legibly to make it perfectly clear that such alterations were present on the tenders at the time of opening. Wherever any erasing / over writing/ cutting is observed, the substituted words shall be encircled in red ink and initialed and the fact that such erasing / over writing / cutting of the original entry was present on the tender at the time of opening be also recorded. The Tender Committee members opening the tender shall also prepare "on the spot statement" giving details of the quotations received and other particulars like the prices, taxes, duties EMD etc. as read out during the opening of the tenders. This statement shall be signed by the T.C members as well as tenderers present.
- (e) All envelopes after opening shall be put in a bigger envelopes/ box and the same shall be properly sealed and duly signed by the Tender Committee members in presence of the tenderer(s)/their representative(s) present in the tender opening.
 - i) In case of tea gardens, sealed tender shall be opened jointly by the respective Manager and Asst. Manager and the Group Accountant wherever available in presence of intending bidders.
 - ii) In the event of postponement of tender opening on the scheduled date due to any reason e.g. change in the tender terms and conditions; change in the specifications etc., equal opportunities

shall be given to all the bidders by notifying the change sufficiently in advance of the revised opening date. Such postponement of Tender Opening Date shall be made in the same mode and means followed as in case of initial tender notification.

- iii) Tenders, received after the last date of submission, shall be opened only with the approval of unit/division head and General Manager in case of tea gardens.

5.04.4 Offers of Indian Agents of Foreign Principals :

Before entertaining the offers from Indian Agents of foreign principals, the following aspects shall be examined :

- i) Foreign Principal's proforma invoice indicating the Commission payable to the Indian Agent, nature of after sales service to be rendered by the Indian Agent.
- ii) Copy of the agency agreement with the foreign Principal and the precise relationship between them and their mutual interest in the business.
- iii) The enlistment of the Indian Agent with Director General of Supplies and Disposal under the Compulsory Registration Scheme of Ministry of Finance.

5.04.5 Evaluation of Tender :

- I. (a) The Criteria for evaluation of quotations in respect of important terms having no direct financial implications like Delivery Period, Warranty Period, Performance Bank Guarantee, etc. and weightage to be given for each of such factors (in the form of points) shall be determined by the Tender Committee before the publication of the respective Tender/ sending the enquiry. At the time of actual evaluation, the set criteria are to be applied for comparison of quotations.
- (b) Proper loading in the price shall be made, wherever applicable, as per the criteria stipulated in the Tender/bid documents/enquiry letter for important terms like "payment terms"; "price escalation"; "cost of delivery to the destination", CENVAT, VAT & CST, other Taxes & Duties, etc. having financial implication.
- (c) In cases where earnest money deposit is mandatory, offer without earnest money deposit shall be considered as unresponsive and rejected unless there is a request from the tenderer to adjust his dues from the concerned Unit against EMD to be deposited.
- (d) Offers with delivery beyond acceptable range as declared in the tender/bid documents/enquiry letter shall be normally treated as unresponsive; however tender committee may accept the quotations with delivery period beyond the period mentioned in the tender documents provided the reasons shall be recorded in writing by the Tender Committee with the approval of unit/ garden head as per DOP.
- (e) Evaluation of tender shall not be based on tenders offer for conditional discounts in respect of coverage within a shorter period, for early inspection/payment etc.

- (f) The Govt. of India has a purchase preference policy framed from time to time so far as the Public Sector Enterprises are concerned. The prevailing policy of the Government for purchase preference in respect of Public Sector, should be implemented.
- (g) For the vendors in the category of Micro, Small & Medium Enterprises (MSME), terms of payment shall be guided by the relevant statutory provisions.
- II. In case of two bid system, tenders which are found complete in all respect, would generally be examined and scrutinized first from the technical and commercial angle about their acceptability and/or technical utility/desirability to the extent possible by the tender committee members (technical) and wherever found necessary, it may be referred by the TC to the concerned technical personnel of the unit/division for evaluation.

Price bids in respect of only those tenders found technically and commercially acceptable will be opened.

- III. After all the eligible tenders are opened as directed, a comparative statement of quotations(CSQ) shall be prepared by the purchase department. In preparing the CSQ, the following points shall be looked into:-

- All the relevant points mentioned in the tender/bid documents/enquiry letter to be compared.
- In case tea gardens, CSQ shall be positively authenticated by Asst. Manager, Manager & Group Accountant.
- For Tea gardens, any purchases of similar homogeneous products/services, items of estimated total value of which is Rs. 50,000/- and above as per case has to be positively vetted by Group Accountant (Assam gardens/ Dooars Gardens)
- In the event of anomaly in the quoted rates indicated in figures/words, the rate confirmed in words shall be considered.
- CSQ shall be signed by all the officials carrying out the scrutiny/examination.
- No. of selected vendor will depend upon a combination of new / existing qualifying vendors, quantum of total orders and will be decided by the tender committee of the Division with concurrence of HFA/ GM in charge of Operation.

The CSQ, so prepared, shall then be forwarded to TC for evaluation of quotation as per CSQ and make their recommendations after considering all the parameters.

5.04.6 Post-Tender Negotiation :

- (a) There should be no Post tender negotiation with L-1 except in the following cases: procurement of proprietary items, item with limited sources of supply and item where there is a suspicion of a cartel formation. The justification and details of such negotiation should be duly recorded and documented without any loss of time.

- (b) In cases where a decision is taken to go for re-tendering due to the unreasonableness of the quoted rates, but the requirements are urgent and a re-tender for the entire requirement would delay the availability of the item, thus jeopardizing the essential operations, maintenance and safety, negotiations would be permitted with L-1 bidder(s) for the supply of a bare minimum quantity. The balance quantity should, however, be procured expeditiously through a re-tender, following the normal tendering process.
- (c) Except as otherwise provided in tender/bid documents, in case of bulk supply / rate-contract/ other cases where L-1 confirms in writing about his inability to supply full quantity as per requirement, the L-1 vendor shall be awarded with the maximum quantity as per his capacity as expressed in writing in Part-I of the tender and balance be offered to L-2 first provided L-2 vendor agree to make the supplies at the negotiated L-1 rate. If L-2 cannot match the price of L-1 or otherwise express capacity problem for the balance requirement then L-3 can be called for negotiation at the negotiated L-1 rate for the balance quantity. In case other bidders (i.e. L-2, L-3, etc.) do not agree to supply at L-1 price, fresh tender shall be floated for the balance quantity i.e. difference between the total quantity required and the quantity L-1 bidder is capable of supplying.

If there was no prior decision to split the quantities, then the quantity being finally ordered will be distributed among the other bidders in a manner that is fair, transparent and equitable.

- (d) In case of composite tender, for split up prices for various components of the contract is called for, negotiation can be held with L1 bidder based on the total contract value for the components to arrive at a better price if component prices are higher than the other bidders. However, the tender documents shall clearly spell out the procedure.

5.04.7 If, after the completion of technical assessment on the basis of techno-commercial bid but before opening the price bid, any modification in the specification of equipment/ materials is required at the behest of the customer, revised price bid shall be obtained through limited tendering among the bidders found to be eligible by the technical assessment, as mentioned above.

The above procedure shall also apply if any such modification in the specification takes place after the price bids are opened.

5.05 In case of procurement of steel/ coal/ copper from original manufacturers/ local importers & stockists (both indigenous/ imported), the current procedure for annual booking/ limited tendering may be followed and the requirement of EMD may also be waived.

5.06 For submission of bid, the following time limits should be allowed to the bidders except in case of exigency :

- | | | |
|------|--------------------------|------------------|
| i) | Global tenders | Minimum 3 weeks; |
| ii) | Other Advertised tenders | Minimum 2 weeks; |
| iii) | Limited tenders | Minimum 2 week; |

In case of recorded exigencies, a reasonable time should be permitted for submission of tenders and in those cases, enquiry shall be sent by faster means like FAX/ E-mail/Speed Post.

No tender shall be accepted after the date and time of tender opening.

In case of global tender, notices shall be sent to Indian Trade Journal, Indian Embassies in foreign countries of political bidders and / or Embassies of foreign countries of potential bidders in India.

5.07 For limited tender, the following points are to be taken care of in the enquiry letter in addition to points mentioned in Para 5.04.1(i):-

- a) Enquiry to be floated to approved vendors only as enlisted according to Clause 3.00.
- b) Documents evidencing delivery of enquiry letters to be preserved.
- c) All enquiry letters shall be serially numbered for a year/season.

5.08 In case of urgency and where there is no option, for each PO valued upto Rs.15,000/-, the single tender system may be adopted but the procuring dept must place on record the full facts of the case as also the nature of urgency and take approval of GM/ Unit Head. For items procured on single tender basis, post facto approval of the Divisional Head of respective Division should be taken and the number of such single tender procurements is to be limited to the minimum necessary, and in each case, the reasons for not restoring to open tenders should be recorded in details and post facto approval of the Head of the Division/ Functional Director be taken.

For urgent items of value over Rs.10,000 but upto Rs.0.50 lakh, approval of Unit Head would be required and post factor approval of Head of the Division shall be taken. Any such purchase of value upto Rs.1.00 lakh shall have prior approval of Divisional Head and in case of any such purchase of value above Rs.1.00 lakh subject to a maximum of Rs.5.00 lakh shall require the approval of the functional Director/ Chairman.

Spot Purchase :

For urgency, if the Units need to procure urgently purchase of goods upto Rs. 15,000/- can be resorted through duly Nominated members by Unit-head and the rates such discovered shall be recorded and procured by approval of Unit Head.

For value of goods above Rs. 15,000/- and upto Rs. 50,000/-, Unit Purchase Committee members shall recommend to the Unit Head based on the market search of the product and price. All such purchases shall be recorded in the format enclosed and approval of Unit Head shall be taken.

5.09 For Tea Division, in case of emergency at H.O., purchase of a value not exceeding Rs.10,000/- on single tender basis may be made and in gardens under emergency, purchase up to a value not exceeding Rs.5,000/- may be made; In both the cases post facto approval of Divisional Head is to be taken and the number of such single tender procurements at HO should be limited to the minimum necessary (to be recorded in writing). For Tea Division, for any new vendor, maximum allocation of trial order for bulk supply items will be limited to 5% of the group's annual requirement subject to matching prices and other Terms & Conditions with L1.

5.10 In respect of provisions 5.08, 5.09, the limits will apply only to the individual units or gardens and not to the division or group as a whole.

5.11 **Re-tendering :**

Re-tendering should be resorted to whenever the L1 is higher than the estimated cost (or price) by more than 10%, or in exceptional situations to be recorded in writing and in each such case prior approval is to be taken from the Functional Director/CMD before placing any order.

5.12 e-Payment : Payment to all vendors/suppliers, refunds of various nature and other payments which the company routinely makes shall be through electronic payment mechanism at all cities where such facilities are available with the banks.

6.00 **Tender Committee (TC)**

In every Unit of AYCL, a TC would be formed consisting of the following personnel:

- i) Two executives from Purchase Dept or the concerned Indenting Dept as the case may be;
- ii) Two executives from Technical Dept to include the Company's own Civil/ Mechanical/Electrical Engineers;
- iii) Two Finance Executives;

Where Technical executives are not available due to infrastructure of any particular Unit, the TC will be formed by the executives of the Purchase Dept, Finance Dept & Marketing Department, following the above mentioned procedure.

The composition of the Tender Committee will vary depending on the value, nature of the tender but a member of the Tender Committee shall not be below the level of Grade E1/ (A) Officer. E-0 grade executives i.e. CA/TA cannot be member of Tender Committee but they can assist the Tender Committee in their paper work.

An undertaking from each member of the Tender Committee is to be obtained declaring that he/she has not any personal interest in the companies/agencies participating in the tender process; it is also to be noted that any member having interest in any participating company/ agency should refrain from participating in the Tender Committee.

The constitution of the TC should be approved by the Chairman upon the recommendation of Director (Finance) and concerned Divisional Head. Such approval should be positively taken every year. For the purpose of carrying out its functions, at least one executive from each of the above categories will comprise the TC depending on the availability of the respective executives. Of these, quorum will be at least two, one of whom must be from finance. In case of any deviation in formation of tender committee, Chairman will be the approving authority on recommendation of Director (F).

In case of tea gardens, the present system of issuing LIQ by the Garden Managers being based on DOP with financial concurrence of respective Group Accountant may be continued and the functions of TC as given will be carried out by the Manager in consultation with Group Accountant.

7.00 **Purchase Orders**

7.01 (a) The PO Form should be pre-numbered unless computerised, and as far as possible, standardised for all Divisions/Units including general commercial terms. The PO inter alia must include the following:

- i) Rate of Tax
 - ii) Delivery Schedule with destination for delivery
 - iii) Terms of payment with optimum credit period
 - iv) LD Clause, wherever possible
 - v) Insurance
 - vi) Mode of Transport
 - vii) Price variation clause, if any
 - viii) Advance, if any, including guarantee to be provided for such advance;
 - ix) Inspection clause print to delivery
 - x) Guarantee/ Warranty;
 - xi) Courts of Competent jurisdiction situated within Kolkata/respective appropriate region;
 - xii) Performance Bank Guarantee.
- (b) Cancellation of PO, where necessary, would be done by original approving authority only with ascent of the TC.

(c) Repeat Orders -

Repeat order shall be avoided normally. They are to be placed more as an exception rather than as a rule/practice, only in cases where it is commercially beneficial. Repeat Order shall be allowed only once, that to not exceeding 30% of the initial quantity.

Repeat order can be placed against any previous purchase order which was following normal tendering process to meet the urgent demand where normal tendering process may delay the procurement which, in turn, will affect the production schedule. This should be recommended by the tender committee and approved by authority one step higher than the original approving authority.

In case of Tea Gardens only, such repeat orders can be placed upto 100% in order to meet the requirements till the end of season.

However, before placement of order, it needs to be ascertained and recorded that prices have not decreased after placement of original orders.

- (d) Rate contract - The contract price for rate contract shall be finalized as usual complying all the relevant provisions. However for rate contract, the negotiated rate as finalized can be offered to all the other bidders besides L-1 vender provided they are technically and commercially acceptable notwithstanding the ability of L-1 party. This is in contrast to all other cases where the ability of L-1 vendor is assessed before the ordered quantity is split among all the eligible bidders at the negotiated L-1 rate.

In the rate contract, the order quantity is to be placed on all the vendors, who have agreed to L1 Rate & Terms, provided preference will be given to original L-1 which will be more than 50% considering his technical and commercial ability and the remaining quantity will be procured from L-2, L-3 etc. where preference will be given to L-2 considering the original value. The quantity for L2 will depend upon his Technical & Commercial ability and should not be more than 30% of the total quantity. Balance will go to L3 and other Vendors following same principle.

The agreement for rate-contract shall normally be valid for one year. Any change in the rate after the validity period shall be treated as a fresh rate contract and all the necessary procedures are to be followed. If the concerned department feels it necessary to bring about any change in the rate contract at any time during the validity period, the case is to be put up to the TC with full facts and figures and all the supporting documents as deemed necessary and TC will give their recommendation to the authority one step higher than the original approving authority. However if the rates are changed by Govt. levies/taxes, these may be changed by the purchase department after obtaining valid proof.

- (e) Tea being agricultural produce and seasonal harvest, division of orders at L-1 price among the authorised/recommended dealers of the selected manufacturers of agricultural inputs shall be permitted to avoid disruption in agricultural activities in different tea gardens. Notice inviting tenders or tender papers shall clearly state the principle to be followed for distribution of the required quantum among the vendors.
- (f) In the case of goods and services available with in house Units/Group Companies of AYCL, the buying Unit/Divisions should first enquire about the materials and services as available with the other units/ Group companies, as per their requirements. If the sources of supplies are available within the Group, the Purchasing Unit should place the orders with such Units/ Yule Group Cos. at mutually agreed prices.
- (g) Amendments of Purchase Order (P.O.) :

Amendments to P.O. involving changes in specification, quantity, price, place of delivery etc., shall not be normally undertaken. Where amendments cannot be avoided the same can be undertaken with full justification subject to compliance of the following :

- i) Change in specification, if any, shall be minor in nature, duly vetted by the concerned technical head. The change of specification shall not affect the performance of product, tender specification and the sanctity of the tender and without any price increase.
- ii) In regard to change in quantity, price etc., it shall be ensured that these changes do not result in acceptance of less favourable condition and that the financial implication should be clearly brought out in proposal seeking the change. Such proposal must be financially concurred before approval.

Such amendment shall be approved by an authority one level higher than the authority who approved the original purchase proposal.

- iii) The financial benefit arising out of such amendments to the specification shall be brought out and such benefit gained by the suppliers shall be passed on to the Purchasers.

Should the quantity and/or price involve amounts above 10% of the original PO value, proposal for amendment of PO would be put up to TC by purchase dept, who will, after scrutiny, recommend amendment of PO to appropriate authority as above duly intimating the original approving authority and obtain approval before amendment in PO is effected. However, the total PO value after amendment of rates should not exceed the L2 value. This will not be applicable for change in statutory levies.

- 7.02 (a) In case of Engineering and Electrical Divisions, items which has been developed against the drawing of the Company by outside Vendor, Price should be determined by TC after value Engg./Technical Evaluation and order should be placed accordingly. Orders upto Rs.1.00 lakh each, should be approved by Unit Head and beyond that by Divisional Head upon the recommendation of Unit Head.
- (b) For any claim for price increase of these items, the new rate will be recommended by TC after proper security & evaluation and approved by Divisional Head.

8.00 Post Contract Management :

After conclusion of the contract, any relaxation in the contract terms/ specifications shall be severely discouraged. However, in exceptional cases, where the modifications/ amendments are considered to be absolutely essential, the same shall be allowed after taking into account the financial implications for the same.

9.00 Post Contract Monitoring :

The delivery period may be extended on bonafide request and not in a routine and casual manner. In case of delay in supplies by the supplier, the liquidated damages shall be recovered following the terms of 'Liquidated Damages' Clause included in the Purchase Order. Also in case of delay attributable on the part of the vendor, the LC extension charges shall be to vendor account.

10.00 Performance Bank Guarantee :

While awarding contracts for any sort of Turn-key Jobs (i.e. Civil, Mechanical, Electrical, etc.) or for purchase of any Capital Equipments, or for any other component of value Rs.5.00 Lacs and above reasonable amount of Performance Bank Guarantee valid up to guarantee period for due performance of the contract shall be obtained in each case. When there is a stipulation in the contract regarding retention money, the same shall not be released before the guarantee period is over without submission of performance bank guarantee of equivalent amount.

11.00 Payment of Advance :

11.01 Advance for booking of orders :

Payment of advance to the suppliers against booking of orders shall be made against acceptable Bank Guarantee (BG) for an equivalent amount with sufficient validity strictly in terms of the condition of the approval of the purchase proposal by competent authority. Before releasing the advance to the suppliers, necessary confirmation shall be obtained from the concerned Branch of the Bank issuing such BG.

11.02 **Payment of Mobilisation Advance :**

Payment of Mobilisation Advance to contractors executing any civil, electrical, mechanical or any other turnkey jobs shall be made selectively on the basis of merit of the case. Basis of selection of such cases needs to be recorded in the concerned purchase proposal. Such advance shall be interest bearing and timely execution/completion of the job/project is an essential requirement for payment of mobilization advance. All such payment of advance shall be made only against acceptable BG for an equivalent amount with sufficient validity. Timely action for revalidation / encashment of BG shall be ensured by the Purchase Dept. and Accounts Dept. of the concerned Divn./ Unit. Before releasing the advance to the suppliers, necessary confirmation shall be obtained from the concerned Branch of the Bank issuing such BG.

12.00 **Back to Back Tie-up :**

In case of Turnkey contract, instead of subletting the 100% work received on back-to-back basis, open tendering/ limited tender process as per Purchase Procedure of the Company is to be followed. The Unit. if and when it bags the contract from the client department as a contractor, has to execute the work by functioning like a contractor instead of subletting the 100% work on back to back basis.

Open tenders to be invited for selection of subcontractors as far as possible. In case it is not possible to invite open tenders, selection should be carried out from the panel approved in the following manner. Panel of contractors list to be prepared for different categories, monetary limits, regions, in a transparent manner clearly publishing the eligibility criteria, etc., such list of contractors shall be put up to the Tender Committee, who after reviewing will recommend to the concerned Divisional Head for approval. On approval by the Divisional Head, this will become the final list and shall remain valid for one year and be reviewed thereafter. However, in the meanwhile, should the list require updating by inclusion of new Contractors or deletion, as the case may be, this would be forwarded by TC for the approval of Unit Head prior to the approval of Divisional Head through CA/ designated Head of Financial Accounts of the Division. ***Terms & Conditions of the contract of client particularly those pertaining to subletting of works should be strictly adhered to. Tenders should be opened confidentially by a high level Committee to be formed by the functional Director.*** Tender opening register to be maintained in this regard, duly signed by the Officer(s) opening the tenders. Adequate staff to be deployed to ensure quality, etc. Post contract monitoring (Clause 9.00) be followed strictly to ensure quality/ delivery/ performance, etc.

13.00 **Capital Purchases :**

13.01 The overall proposed capital expenditure would be sanctioned by the board giving details of items of specific expenditure and a lump sum amount for non-specific expenditure. In the case of each capital expenditure, Capital Expenditure Authorisation (CEA) form would have to be used, specimen of which is enclosed as Annexure II for obtaining approval for making such capital purchase.

The specific budget year to which the proposed expenditure is related has to be mentioned in the CEA Form. All CEA forms covering the Capital Budget of a year shall bear an identifying serial number.

For procurement of any capital equipment under CAPEX of value exceeding Rs.5.0 (Five) lakhs, the technical specification should be referred to a High Powered Technical Committee formed by the Divisional Head (Tea, Electrical and Engineering Division) for recommendation. Quorum shall be of any two members of above committee. The technical committee shall be approved by CMD on recommendation of Whole time Directors of the Company.

13.02 When an overrun in the cost of capital items is expected, and the same is within 10% of the original value the changes in the individual items should be indicated and the concerned Divisional Head will submit the appropriate proposal substantiated by valid reasons through Functional Director to Chairman for approval. For overrun above 10%, the matter would be referred to the Board of Directors for approval. In case of overrun in any project cost sanctioned by Central Govt. is within 10% of the value, the Board of Directors shall have due authority to approve the same. The overrun beyond 10% of the sanctioned cost will, however, require approval of the Board of Directors as well as the parent Ministry in the Central Government.

13.03 While deciding upon the specification and make for procurement of any capital equipment, spares to be procured, it should be ensured that the equipment to be purchased shall conform to the latest specification and technology available in the market depending on availability of fund, present infrastructure, etc.

13.04 For major overhauling of vehicle/machinery etc. procurement of necessary spares including services shall be made either from respective manufacturers directly or from authorized service dealers on recommendation of the manufacturer. For procurement from any source other than above, sufficient justification has to be given in the proposal with the concurrence of Divisional Head.

In case of Tea Garden, overhauling of transportation vehicles for carrying out day to day operations can be finalized by the Garden Manager and Post-facto approval shall be obtained from General Manager (Tea Division).

13.05 Purchase of Computer

For all purchase of computers, tender is to be floated without specifying any brand name. For all such purchases of value above Rs.50,000/=, an open tendering system is to be followed; otherwise, the tender notice is to be placed on the Company's Website.

14.00 **Transportation Contract**

Normally before the beginning of every financial year (but not exceeding two years), for appointment of transport contractors, press advertisement must be done. For known/ conceivable destination (in respect of both incoming and outgoing goods and materials), the transporters will be asked to quote their rates for full truck and/or smalls. For this purpose, tender papers will be made out accordingly. For multiple point collection/ delivery, the per point rate for the same is to be incorporated in the annual contract.

For the purpose of obtaining approval in each contract as per DOP, the TC should consider the estimated annual business to be carried during the ensuing year. However, for selection of panel transporters, the approval will be obtained from Divisional Head on recommendation of the TC by usual procedure stated in para 3.01 above. This Panel may be made zone-wise or as per the pattern of transport of individual Unit/ Division.

For unknown destinations where it is not possible to obtain the rates of Full Truck Loads/smalls, before hand the transporters will be empanelled through press advertisement from whom quotations will be obtained once the destination is known. For small consignments, freight up to Rs.5000.00 per consignment can be booked on single quotation basis subject to approval by Unit/Divisional Head as per D.O.P.

The similar policy/procedure as it has been specified in Para : 5.04.6 of this procedure for selection of vendors shall be followed for engagement of transport contractors by all units to ensure that the movements of the materials do not suffer due to the inability of the single transporters to cater to the need of transportation of materials from the different points to the various destinations.

In the case of Tea Division, the performance of the transporters need to be evaluated on the basis of the lowest rate as well as the past performance and the ability of the transporters to provide services required for perishable goods and its transportation from the different Tea Estates at the remote locations to various ports/ auction centres for sale. These factors should receive due weightage in awarding contract to the eligible transporters.

In awarding the contract for engagement of the transporters, a suitable rate variation clause for change in diesel prices should be incorporated. Any variation beyond 10% of the agreed rate, due to any reason whatsoever, will be approved by Divisional Head/ the original approving authority in each case upon the TC.

For Engineering and Electrical Division, the job of local Transport Contractor i.e. collection of material from multiple vendors to the respective units or vice-versa and from factories to the Transporters' godown, etc. may be awarded on the basis of limited tendering among the panel of vendors selected through normal process of open tendering. All scope of the service contract shall be clearly defined and mentioned in the contract itself.

For local use, Tea Garden can fix the rate which can be done on limited tender bases for smaller volumes. For larger volume, the local Transport Syndicate rates shall be taken into consideration while fixing the rates.

15.00 **Appointment of Clearing Agent**

Appointment of clearing/handling agent would be resorted to through press tendering every three years considering the business for the year where EMD of 1% of the estimated order value is to be submitted by the bidders. On the basis of rates and services provided by the agents, a CSQ will be prepared by purchase dept and placed to the TC. The TC, after scrutiny, will recommend the agent for approval of Divisional Head/GM as per D.O.P.

In case of Unit/Division, where import/export is limited to 10 Lacs p.a. the Unit can resort to limited tendering for appointment of Clearing Agent. The same has to be approved by Divisional Head.

16.00 **Appointment of Consultants :**

For appointment of Consultants, the following procedure shall be complied with:

- (i) *Appointment of Consultants shall be need-based and made for that nature of job only where specialized knowledge is not available in-house. Consultants shall be appointed in a transparent manner and through the process of competitive bidding. The bid shall be obtained in two parts i.e. Part-I : techno-commercial bid; and Part-II : price bid.*

- (ii) In areas where advisory services are available from Government / Government approved bodies / agencies against payment of nominal charges (like TRA, Tea Board, ITA etc.) no consultant will be appointed.
- (iii) Minimum qualification, credentials and experience required to be eligible for bidding shall be mentioned in the Tender paper / letter inviting offer without any ambiguity.
- (iv) Scope of work, terms of payment, role of Consultants should be clearly defined and described in the Tender paper. The tender should incorporate clauses having adequate provisions for penalizing the consultants in case of defaults by them at any stage of the project including delays attributable to the consultants.
- (v) The role of Consultants shall be advisory and recommendatory and final authority and responsibility shall remain with the authorities of the Company executing the Project / job.
- (vi) The fees of the Consultants shall not be linked to the value of the Project / job for which the Consultant is being appointed. Suitable clause shall be incorporated in the contract for adjustment of the Consultant's fees in case of change in the scope of work, if any, which may take place after appointment of Consultant. Every effort should be made to keep travelling expenses to a minimum wherever such expenses are paid extra.
- (vii) In case of deficiency or failure in rendering the services mentioned in the contract, suitable penal clause shall be stipulated in the contracts, POs / MOUs of the consultant.

17.00 The Units, Tea gardens shall make efforts to eventually switchover to the process of e-procurement wherever it is found to be feasible and practicable.

18. GREEN LEAF PURCHASE PROCEDURE

1.0 For bought leaf procurement, gardens have to resort to open market price which is to be concluded immediately. In order to facilitate fast decision process, the following procedures shall be adopted :

2.0 **Enlistment** : For green leaf suppliers in Tea Gardens, existing suppliers, i.e., Tea Growers / Agents to the gardens shall be automatically considered for enlistment if not debarred otherwise & shall be included in the list which shall be for individual gardens or on group basis wherever possible, duly vetted by Group Accountant in all cases & Group Manager (Commercial) where ever available. Any new applicant can be enlisted by the respective Managers which must be duly vetted by Group Accountant in all cases & also by Group Manager (Commercial) at Group Office wherever available. The list so prepared shall be considered as the approved list of vendors and a Register of approved vendors shall be maintained by the Garden Manager. A copy of such register may be sent to General Manager (Tea Division) Head Office.

3.0 For entering in Register the following details shall be required from Tea Growers / Agents :

- a) Registration Number and Trade Licence
- b) Name, address, Telephone Number & E-mail, if available.

- c) PAN Number
- d) Capacity
- e) Past experience
- f) Bank Account details

4.0 For green leaf, Manager of the Estate shall assess requirement of leaf on day to day basis as per the estimated leaf availability from his own garden & Factory capacity.

5.0 Enquiry Procedure:

- i. Enquiry will be made over e-mail / telephone to the enlisted vendors.
- ii. Rates thus received shall be reviewed and Garden Manager will fix the rate.
- iii. Rates shall be fixed by the garden Managers individually or on group basis wherever the gardens are in close proximity to each other on the basis of market price assessed through regular Mandi visits or enquiry from the mandi & local Tea Estates.
- iv. The rate need to be approved from competent authority at Head office who shall be nominated by GM(Tea). Gardens sometimes may propose for multiple rates for different band of fine leaf count and quantity.
- v. This shall require prior permission from competent authority at H.O. who shall be nominated by GM(Tea).
- vi. Supply can be obtained from all or any of the parties who are enlisted & who are agreeable to supply at the agreed rate for the day.
- vii. A Register in the following format shall be made :

NAMES OF THE GARDEN:

Sl. No.	Date	Name of the Parties / Agencies contacted	Price suggested by Agent / Vendor	Price fixed	Advice of Head Office	Remarks	Signature
1	2	3	4	5	6	7	8

6.0 Execution Process :

- i. For green leaf suppliers who are agreeable to the rates finalized by the garden Manager intimation shall be through telephonic message and shall supply on the basis of telephonic order placed followed by formal Purchase Order.
- ii. Formal Purchase Order after Competent Authority's approval will be placed on Vendor / Vendors.

- iii. Supplies based on approval from Competent Authority and the receipts can also be accepted during the day which shall be incorporated in the Purchase Order.
- iv. Further, if E-mail facilities are available, the acceptance of the rate and LOI can be sent by e-mail to the respective vendor/vendors which will be followed by the formal confirmatory Purchase Order / Orders.
- v. For green leaf purchase, no EMD need to be deposited.

7.0 Purchase Order : Purchase Order must include the following:

- a) Period of supply : May be daily/weekly.
- b) Estimated quantity to be supplied.
- c) Acceptable minimum Fine leaf count.
- d) Deduction due to wet leaf/damaged leaf supply.
- e) Deduction of tax if applicable.
- f) Weighment condition (own weigh-bridge).
- g) Return of consignment in case of unacceptable leaf condition / time of receipt in the factory.
- h) Rates: FOR garden factory.
- i) Payment terms:

Payment Methodology : GM(Tea) shall prescribe the methodology and payment terms. Payments shall be made by RTGS wherever possible, otherwise, by Cheque only.

8.0 Cancellation of P.O. may be made by the Manager on the basis of valid reasons only and the details of the same shall be recorded and informed to General Manager (Tea) on weekly / monthly basis as required by the General Manager.

9.0 Further, the above procedure will be suitably modified as and when we receive any Government Orders with respect to above procedure, suitable amendment to be proposed to the Competent Authority for approval.

ANDREW YULE & COMPANY LIMITED
NAME OF THE UNIT

Application for Enlistment Form

The applicants are required to furnish full information to the queries included in this form. In giving the particulars, the supporting documents/ certificates, as called for per queries at places, must be tagged with the application for evidencing the information furnished in the application for enlistment.

This application form should be submitted along with the registration fee of Rs..... (Rupees) by crossed Postal Order/ Bank Draft in favour of Andrew Yule & Company Ltd.

- 1) Date of Advertisement for Registration :
- 2) Name of the Firm in Full :
- 3) Address of the Firm :
 - a) Registered Office
 - b) Head Office
 - c) Branches
 - d) Workshop/ Godown
 - e) Depot
- 4) Telephone/Telegram/Fax No./E-mail :
 - a) Registered Office
 - b) Head Office
 - c) Branches
 - d) Workshop
 - e) Depot
- 5) Status of the Organisation :
- 6) Whether Manufacturer/Contractor/
Fabricator/ Sub-contractor/
Stockist/ Agent/Dealer :
- 7) Item for which enlistment is sought :
- 8) Banker's Name :
 - a) Name of the Branch
 - b) Address of the Branch
 - c) Account Number

Note : Confidential Report of financial position will be requested for by AY & Co. Ltd. from the Bankers.

- 9) Trade Licence No. :
(Please attach a Xerox copy)
- 10) Factory Licence No. :
(Please attach a Xerox copy)
- 11) Whether registered as an SSI Unit. :
If yes, Registration No.
(Please attach a Xerox copy)
- 12) Sales Tax Registration No. :
a) Central
b) State
(Please attach a Xerox copy of
Registration Certificate)
- 13) I.T. Permanent Account No.
- 14) Photo copies of current I.T. & Tax :
clearance Certificates are to be attached
- 15) Whether the applicant is already enlisted :
in this enterprise. If so, the details are to
be furnished stating the types of jobs
executed, etc. i.e.
(a) Description of the job (b) Year
(c) Amount & (d) Authorised by
- 16) Whether the applicant is enlisted with any :
other Public Sector Undertaking/ other
reputed manufacturers.
If so, the details are to be furnished
- 17) Financial Capacity (Year) :
a) Fixed Capital
b) Working Capital
(copies of Balance Sheet & Profit &
Loss A/c for last 3 years should
be attached)
- 18) Technical capacity :
(i) Tools & Equipment list
(to be attached)

- (ii) Manufacturing Capacity :
(to be quantified)
- 19) Manpower on Rolls :
Total Manpower in Roll
 - a) Skilled workers
 - b) Unskilled workers
 - c) Others
 - d) Supervisors
 - e) Engineers
- 20) Name & Residential address of :
Partners/ Directors/ Proprietors,
as the case may be
- 21) Whether any Govt. Servant(s) or :
dismissed Employee(s) of Andrew Yule
& Co. Ltd./ any other Govt. Undertaking
is in employment under the applicant
- 22) Whether the applicant or any of its
Partners/ Directors has been banned
or removed from the approved list
of suppliers by the Enterprise or
Undertaking / any other Enterprise
or Undertaking in the past

I/ We hereby certify that the particulars furnished by me/ us above are true to the best of my/ our knowledge and belief and misrepresentations of facts will render me/ us liable to any action as may be deemed fit by Andrew Yule & Co. Ltd.Unit/ Division have the sole discretion to reject or accept my / our candidature for enlistment.

Place :

(Signature of the Applicant)

Date :

Office Stamp/Seal

FOR OFFICE USE ONLY

- (a) Technical assessment of capabilities to perform as per Unit's/ Division's requirements.
(To be done and signed by Technical Dept.) :
- (b) Financial strength analysis to be made and signed by Finance :
- (c) Comments to Banker's Confidential Report to be made and signed by Finance (to be attached) :
- (d) Purchase Dept's Recommendation (to be made by Purchase Dept.) :
- (e) Tender Committee's comments for approval :

Sd/-
(Signature of the members of
Tender Committee

TO BE ALOTTED BY PURCHASE DEPT :

Reg. No.....

Folio Ref. No.....

Enlistment Register

ANDREW YULE & COMPANY LIMITED**NAME OF THE UNIT****Capital Expenditure Authorisation Form**

		Items	Quantity
1.	Detail Description	:	
2.	Detail Specification & make	:	
3.	Reference of Proposal (Budget Sanction No.)	:	
4.	Works Request No.	:	
	Date :		
5.	Sources of Funds :		
	Plan Fund sanctioned letter Ref.	:	
	Non Plan Fund sanctioned letter Ref	:	
	Own generation/ other sources	:	
	(to be specified specially)		
6.	Estimated cost (detail as per Annexure-IIA) :		
7.	Justification (as per Annexure-IIB)	:	
8.	Schedule of implementation	:	
		Expected Date	Expected Cash Flow required
	a) Finalisation of order	:	
	b) Placement of the order	:	
	c) Installation/completion	:	
	d) Asset to be put into use	:	
	e) Warranty Period	:	
9.	H.O. Sanction No.	:	
	Date	:	
10.	Sanctioned Amount	:	
	(To be filled in at H.O. after approval by competent authority)		
	Estimated by	Checked by	Forwarded by
		Financial Concurrence by	Recommended by
			Sanctioned by

Signature :

Date :

Designation :

ANDREW YULE & COMPANY LIMITED

NAME OF THE UNIT

Details of Estimated Cost

I. Own Manufactured Items	II. Bought Out Items		
A. Material :			
To be purchased	Rs. _____	Purchase cost	Rs. _____
		Add : Installation cost	Rs. _____
To be used from Stores	Rs. _____	Total Cost	Rs. _____
		Less : Salvage value	Rs. _____
Salvaged Material	Rs. _____		
	Rs. _____	Net Estimated Cost	Rs. _____
B. Labour :			
Own	Rs. _____		
Contractor	Rs. _____		
	Rs. _____		
C. Other Direct payments (e.g. Payment for consultancy fees any license fees, payment any service received, etc.)	Rs. _____		
D. Impact of Works Contract Tax/ Service Tax/ any other Tax	Rs. _____		
E. Total Cost (A + B + C + D) :	Rs. _____		
Less : Salvage value	Rs. _____		
Net Estimated Cost	Rs. _____		
III Total Estimated Cost of acquisition (I + II)	Rs. _____		

ANDREW YULE & COMPANY LIMITED**NAME OF THE UNIT**

I. Justification for Procurement :

II. Cost Benefit Analysis :

A. For Replacement of Items :Expected increase in yearly
revenue expenditure (if any) :

(i) Interest @ % Rs. _____

(ii) Depreciation @ % Rs. _____

(iii) Repair & Maintenance Rs. _____

(iv) Director labour Rs. _____

(v) Others (if any) Rs. _____
(specify item-wise)

Total Revenue Rs. _____

Expenses(a)

Net Savings (if possible)
per year (c) = (b) – (a) Rs. _____Return on Investment (ROI) = %
= $\frac{\text{Net Savings} \times 100}{\text{Estimated Cost}}$ Expected savings in yearly revenue
expenditure (to the extent possible) :

(i) Interest @ % Rs. _____

(ii) Depreciation @ % Rs. _____

(iii) Repair & Maintenance Rs. _____

(iv) Director labour Rs. _____

(v) Others (if any) Rs. _____
(specify item-wise)

Total Savings (b) Rs. _____

Pay back Period = $\frac{\text{Estimated Cost of acquisition}}{\text{Net Savings}}$
(Years)**B. For New Addition :**Expected increase in yearly revenue
expenditure (if any) :

Interest @ % Rs. _____

Expected savings in yearly revenue
income (to the extent possible) :Value Addition to
enhanced output Rs. _____

Depreciation @ % Rs. _____

Repair & Maintenance Rs. _____

Director labour Rs. _____

Others (if any) Rs. _____

(specify item-wise)

Total Revenue Expenses(a) Rs. _____

Net Revenue Income

{(c) = (b) – (a)} Rs. _____

Return on Investment (ROI) : (%)

= $\frac{\text{Net Revenue}}{\text{Estimated Cost}} \times 100$

Reduction in Manpower Rs. _____

Reduction in Process

Time Rs. _____

Reduction in other O.H. Rs. _____

Total Revenue Income(b) Rs. _____

Pay back Period = $\frac{\text{Estimated Cost of acquisition}}{\text{Net Savings}}$
(Years)

**Particulars to be furnished by the Official making
the Spot Purchase to the Authority
Who Authorised the Purchase.
[Sl. No. : 70 & 71 of DOP]**

- 1 Material with quantity authorized for purchase :
- 2 Name of the officers who did the purchases :
- 3 No. of quotations obtained :
- 4 Particulars of quotations :
 - a) Names of the Parties :
 - b) Quantity offered :
 - c) Price per unit :
 - d) Total value :
- 5 Whether the price is regarded reasonable :
(with reference to the prevalent market price
or with reference to the previous price taking
into account any known variation in prices).
- 6 Particulars of order placed :
 - a) No. & date of the order :
 - b) Name & address of the party :
 - c) Material :
 - d) Quantity :
 - e) Value :
 - f) Payment by Cheque / RTGS :

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