

Procurement of Store

Non – Stock

STC/NBQ/NFR

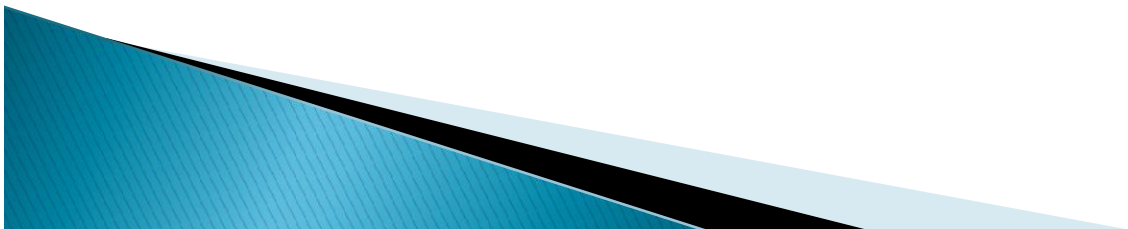
Introduction

- ▶ It is **not** always economical for the Railways to **make** all the materials used in maintenance.
- ▶ Some items are procured from others, and some are **produced** in the Rly. Workshop.



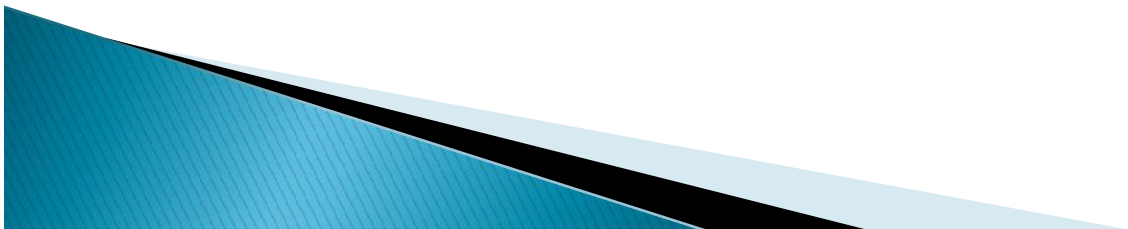
Necessity of Procurement

- ▶ Some Reasons for **Making**:
 - Lower Production Cost
 - Unreliable or Unsuitable Suppliers
 - Assure Adequate Supply (Quantity)
 - Utilize Surplus Labor Capacity
 - Obtain Desired Quality
 - Protect Special Design or Quality



Necessity of Procurement

- ▶ Some Reasons for **Buying**:
 - Lower Acquisition Cost.
 - Inadequate Capacity.
 - Reduce Inventory Costs.
 - Ensure Alternative Sources of Supply.
 - Item is Protected by a Patent or Trade License.



Procedure for Procurement

- ▶ Items which are **not** stocked at Feeding Stores Depot.
- ▶ Non-Stock indent can be placed for an item, at most twice in a year, at an interval of six months.
- ▶ Items that are directly procured from trade (market)
- ▶ Drawn on S.1302 for indent value **less than Rs.50,000/-**
- ▶ Drawn on S.1302–A for indent value **more than Rs.50,000/-**

SOUTHERN RAILWAY
REQUISITION FOR STORES (NON-STOCK)
FOR REVENUE MAINTENANCE

S. 1302

REQUISITION No.	DATE
830001	14.02.10

For requirement value upto **50000**

INDENTOR Sn.DME/MDU	CONSIGNEE SSE/c&w/MDU	CONSIGNEE CODE 83100	MATERIALS REQUIRED AT SSE/c&w/MDU	DEPOT AMM/MDU
------------------------	--------------------------	-------------------------	--------------------------------------	------------------

DESCRIPTION OF MATERIAL PILLOW COVERS	QTY. DEMANDED IN FIGS. 50	UNIT Code : 01
	QTY. DEMANDED IN WORDS FIFTY	In Words : Nos.
	PURPOSE For inspection carriage.	

LAST PURCHASE PARTICULARS (IF ANY)

Sl. No.	PO Number	Date	Qty.	Rate
1.	04/3/NS/LT	10.02.10	20	600/-
2.				
3.				

ALLOCATION : 060211 - 28	
PL GROUP : -	RATE Rs. 30/-
VALUE Rs. : 1500/- (Rs. One thousand Five hundred only)	

FUNDS AVAILABILITY CERTIFIED

SIGNATURES	INDENTOR Designation : Date :	INDENTING OFFICIAL Designation : Date :	CONTROLLING OFFICER Designation : Date :	APPROVING OFFICER Designation : Date :
	CERTIFICATION BY FEEDING DEPOT			
	(i) Certified that the item is not stocked in this depot.			
	(ii) Certified that the demand cannot be met out of surplus/alternate materials			
(iii) PAC enclosed (where required) : Yes /No				DEPOT OFFICER Designation : Date :

Foil 1 (DEPOT)	Foil 2 (BLOCK)
-------------------	-------------------

**SOUTHERN RAILWAY
REQUISITION FOR STORES (NON-STOCK)
FOR REVENUE MAINTENANCE**
(for Value more than Rs. 50,000)

S. 1302 **A**

INDENTOR			CONSIGNEE	CONSIGNEE CODE	REQUISITION No.	DATE
DESCRIPTION OF MATERIAL					MATERIALS REQUIRED AT	DEPOT
					QTY. DEMANDED IN FIGS.	UNIT
					QTY. DEMANDED IN WORDS	Code : In Words :
					PURPOSE	
LAST PURCHASE PARTICULARS (IF ANY)					ALLOCATION :	
Sl. No.	PO Number	Date	Qty.	Rate	PL GROUP :	RATE Rs. :
1.					VALUE	
2.					Rs. :	
3.						

1. (a) Quantity due on outstanding purchase orders

(i)	(iii)
(ii)	(iv)

 (b) Outstanding Indents for same work/purpose

(i)	(ii)
-----	------
2. Likely suppliers (if any)/Approved suppliers :

(a)	(c)
(b)	(d)
3. If urgently required, reasons :
4. Certified that—(i) no/adequate stock of the same or closely similar item is available
 (ii) Funds are available for the Year 2010-11 Rs.
 Year.....Rs.....
 Year.....Rs.....
 (iii) PAC enclosed (Where required) : Yes/No

Indentor Designation : Date :	Indenting Officer Designation : Date :	Controlling Officer Designation : Date :	Approving Officer Designation : Date :
-------------------------------------	--	--	--

Certification by feeding Depot

- (i) Certified that the item is not stocked in this depot.
- (ii) Certified that the demand cannot be met out of surplus/alternative materials.

Depot Officer
Designation :
Date :

Vetting by Associate Finance at controlling Officer (For value Rs. 50,001 and above)

Certified that funds as at 4 (ii) are available in current year and will be provided for future years.

Accounts Officer
Designation :
Date :

FOIL 1 (DEPOT)	FOIL 2 (BLOCK)
-------------------	-------------------

**SOUTHERN RAILWAY
REQUISITION FOR STORES (NON-STOCK)
FOR SANCTIONED WORKS**

S. 1302 **A**

INDENTOR			CONSIGNEE	CONSIGNEE CODE	REQUISITION No.	DATE
DESCRIPTION OF MATERIAL					MATERIALS REQUIRED AT	DEPOT
					QTY. DEMANDED IN FIGS.	UNIT
					QTY. DEMANDED IN WORDS	Code : In Words :
					PURPOSE	
LAST PURCHASE PARTICULARS (IF ANY)					ALLOCATION	
Sl. No.	PO Number	Date	Qty.	Rate	PL GROUP :	RATE
1.						Rs.
2.					VALUE	
3.					Rs. :	
Name of the Sanctioned work :					Pink Book/LAW/RSP/M & P Item No. :	
Sanctioned by whom :					Sanction No. :	
					Date :	

1. Has any Indent been placed for this work for the same item earlier ? YES/NO

If Yes, details

- (i)
- (ii)
- (iii)

2. Likely suppliers (if any)/Approved suppliers :

- (a)
- (b)
- (c)

3. If urgently required, reasons :—

4. Certified that—(i) no/adequate stock of the same or closely similar item is available

(ii) Funds are available for the Year.....Rs.....

Year.....Rs.....

Year.....Rs.....

(iii) PAC enclosed (Where required) : Yes/No

Indentor

Indenting Officer

Controlling Officer

Approving Officer

Designation :

Designation :

Designation :

Designation :

Date :

Date :

Date :

Date :

Vetting by Associate Finance at controlling Officer (For value Rs. 50,001 and above)

Certified that funds as at 4 (ii) are available in current year and will be provided for future years.


Accounts Officer

Designation :

Date :

FOIL 1 (DEPOT)	FOIL 2 (BLOCK)
-------------------	-------------------

Procedure for Procurement


- ▶ Obtain **“Budgetary Quotations”** from a **minimum of three firms** to ascertain the rate of the item.
 - ▶ **Clear description** of the item, including IS / RDSO specification.
 - ▶ **Indent quantity** should be assessed critically.
- 

Procedure for Procurement

- ▶ **Head of Allocation to which the expenditure is to be charged, should be clearly indicated.**
- ▶ **LPO (Last purchase particulars & Rate) if any, should be linked.**
- ▶ **If the purchase is being made for the first time and if Indenter knows some of the likely suppliers, give list of those suppliers.**

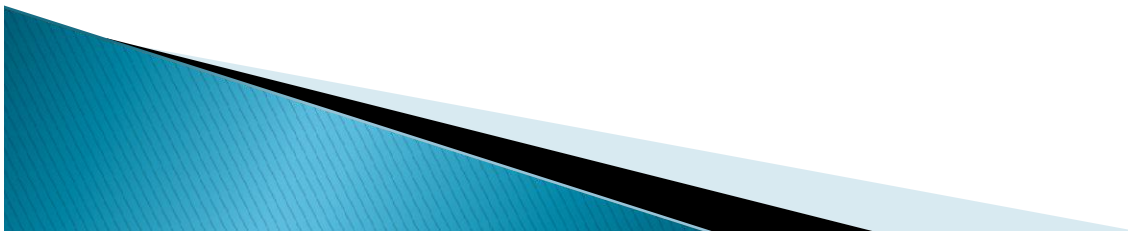


Procedure for Procurement

- ▶ **Obtain Non-stock certification from feeding stores depot.**
 - ▶ **Send the indent to Divisional office (C&W wing) for further processing.**
 - ▶ **At Div. office, the indent will be registered.**
- 

Procedure for Procurement

- ▶ **Funds Availability will be certified.**
- ▶ **Obtain signatures of Indenting, Controlling & Approving authorities as per the SOP.**



Procedure for Procurement

- ▶ **As per present delegation - all N S requisition should be countersigned by the officer of user dept. according to the competency**
 - **Requirements up to Rs.25,000/- can be approved by an Assistant Officer.**
 - **The requirements valuing Rs 25,000/- to 2 lakh- can be approved by a Sr. Scale Officer.**
 - **The requirements valuing between Rs. 2 lakhs to 15 lakhs can be approved by a JAG / SG Officer.**
 - **Requirements between Rs. 15 lakhs to Rs. 45 lakhs can be approved by a SAG Officer.**
 - **All requirements above Rs. 45 lakhs can be approved by DRM / PHOD.**

(Authority: P.B. L/No: 2017/Trans/01/Policy. Dt. 18.10.17)

Procedure for Procurement

- ▶ **For non safety items costing less than Rs.2.5 Lakhs Finance concurrence (Vetting) is NOT necessary.**
- ▶ **For safety items costing more than Rs. 10 Lakhs Finance concurrence (Vetting) is necessary.**

(Authority: P.B. L/No: 2017/Trans/01/Policy. Dt. 18.10.17)

Procedure for Procurement

- ▶ **All Non stock purchase at Depot/Div level will require essentiality of purchase certification.**
 - **For Safety items - Essentiality Certification valuing upto 2 lakhs by JAG/SG level and exceeding Rs. 2 lakhs by field Officers at SAG level.**
 - **For Non Safety items - Essentiality Certification valuing upto 1 lakh by JAG/SG level and exceeding Rs. 1 lakhs by field Officers at SAG level.**

**(Authority: RB,L/No: 2007/RS (G) / 779/1 Dt.
16.02.09)**


Procedure for Procurement

- ▶ **Issue of PAC (Proprietary Article Certificate), if necessary**

PAC - Schedule of Powers:

- ▶ **Upto 75,000/- Indenting official JS**
- ▶ **Upto 2 Lakh - Indenting official SS**
- ▶ **Upto 15 Lakh/ - JA Grade /SG Officer**
- ▶ **Upto 25 Lakhs - SAG Officer**
- ▶ **Above 25 Lakhs – PHOD**

▶ (Authority: RB, L/No: 2017/Trans/01/Policy. Dt. 18.10.17)



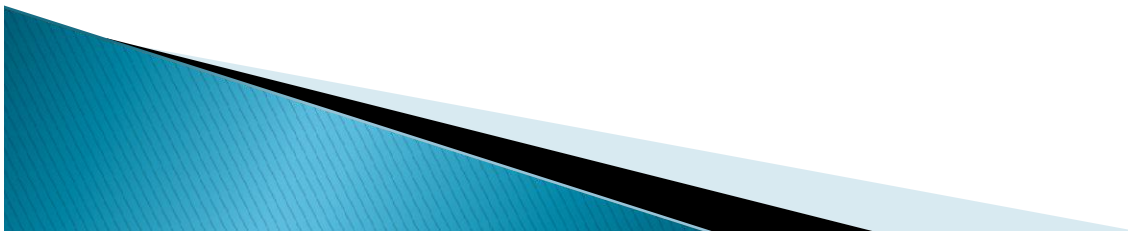
Procedure for Procurement

- ▶ **Submission of indent to Stores (AMM / DMM / Dy.CMM / COS)**
- ▶ **SOP of sanctioning power:**
- ▶ **If AMM, indent value upto Rs. 3 Lakhs.**
- ▶ **If DMM, indent value upto Rs. 8 Lakhs.**
- ▶ **If Dy. CMM, indent value upto Rs.15 Lakhs**
- ▶ **If indent value more than Rs. 15 Lakhs, indent should be sent to COS office.**


(Authority: RB, L/No: 88/RS (G)/779/14 PT. Dt. 27.02.15, item no-1.0/A)

Procedure for Procurement

- ▶ **Obtaining quotations from firms by Stores by floating Tender enquiries**

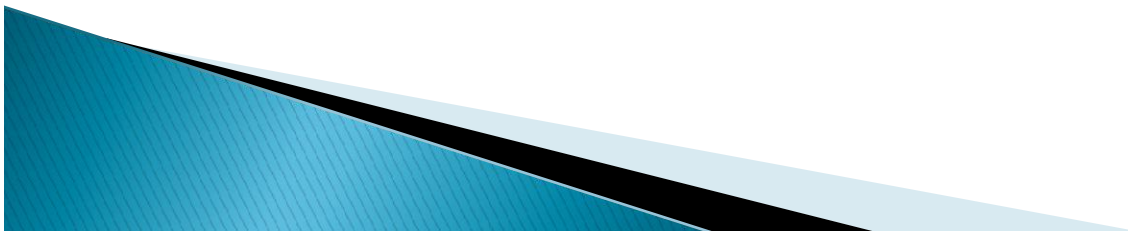


Procedure for Procurement


- ▶ Sending the docket with **opened quotations** to Indenting officer (I.O) for **Technical Suitability & Rate reasonability**
 - ▶ Scrutiny & Technical suitability by I.O
 - ▶ Issue of P.O
 - ▶ Receipt of Material
- 

Common errors committed in Non-stock indenting

- ▶ **Indenting of excess quantity**
- ▶ **Splitting the quantity**
- ▶ **Quoting Higher rate**
- ▶ **Vague description**
- ▶ **Un attested corrections / over writings in the indent**

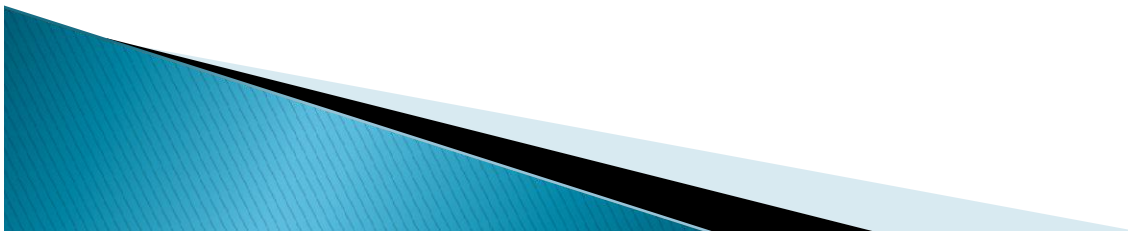


Allowed Rate variation

- ▶ **10 % variation** is allowed between the indent rate and lowest quoted rate by firms
 - ▶ **Ex.-If** the rate quoted in indent is **Rs.100/-** then the lowest quoted rate by firms should be **between Rs.90/- & Rs.110/-**
 - ▶ **If exceeds 10%, justification should be given by I.O.**
- 


Main Sources of receipt of Stores

- ▶ Purchase
- ▶ Manufactured by Workshop
- ▶ Return Stores
- ▶ Depot Transfer
- ▶ Transfer of stores from the other Railway or department.



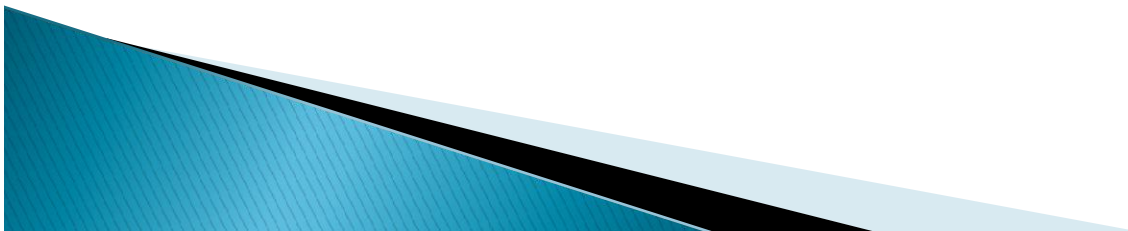
Agency for Purchase

Purchase of materials for Railway are arranged either as:

- ▶ Direct purchase by the Railway Administration.
 - ▶ Purchase by the Railway board, DLW, CLW, ICF, COFMOW.
 - ▶ Purchase through the agency of Central Purchase Organization of the Government such as The Director General of Supplies & Disposals (DGS & D).
- 

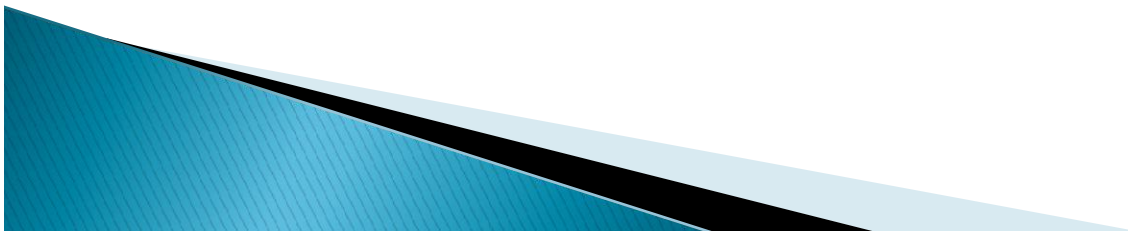
Purchase by the Railway Board

- ▶ The Railway Board mainly arranges the procurement of Rolling Stock complete units & fuel. In addition Rails, Fish plates, cast iron sleepers, wheels, tyres, axles, imported steel, certain nominated critical items like Train Lighting cells, Train Lighting lamps etc



Direct purchase by the Railway

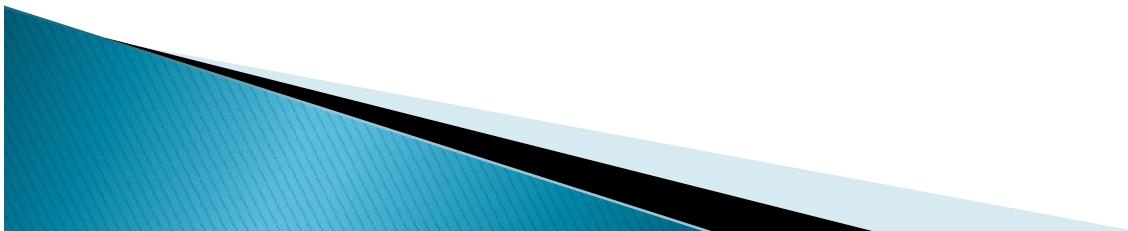
- ▶ Items which are not arranged by the Railway Board and items which are not required to be purchased through the Central Purchase Organization are procured by the Railway direct through the Controller of Store.



Purchases through DGS & D

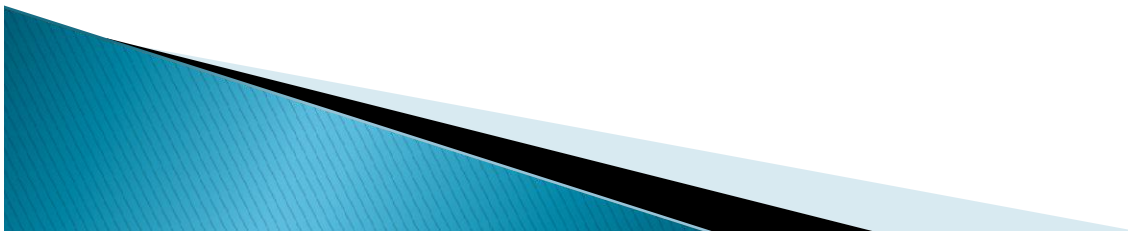
It is obligatory for the Railway to use the agency of the DGS & D for purchase of items which are not peculiar to Railways, if the annual requirement of such items is Rs.1 lakh or more.

If, however, DGS & D have entered into a rate or running contract the railways are required to use the agency of DGS & D for such item under Rate & Running contracts even though the requirement is less than Rs.1 lakh.



Returned Stores:

- ▶ All the materials no more required by the consuming departments should be returned to the nominated stores depots for taking disposal action.

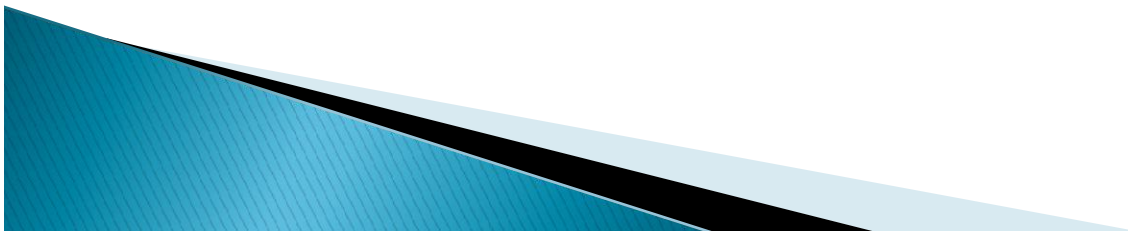


- ▶ **Transfer of Stores from the other Railway:**

In some cases, it has been observed that the material is not available with own Railway but the same is lying with other railway. In this case the material is transferred from that Railway.

- ▶ **Depot Transfer:**

Sometimes a depot has particular type of material lying since longtime and depot does not require the material. But the same material may be required to nearby depot. In this condition the material is transferred from one depot to other depot.



Thank You

