

# **MATERIAL PROCUREMENT**

**STC/NBQ/NFR**

The purchase of stores is the most important factor of the inventory Management. The rules for purchasing are in accordance with the policy of the Government of India to make their purchase of stores for the public service in such a way as to encourage the development of the industries of the country to the outmost possible extent, consistent with economy and efficiency.

## **Main Sources of Supply**

1. Purchase
2. Manufactured by Workshop
3. Return Stores
4. Depot Transfer
5. Transfer of stores from the other Railway or department.

## **Purchasing:**

The purchasing function is generally centralized in the headquarters office of the Controller of Stores. The recouplements or estimate sheets for stock items routed through the stores depots are received in the purchase office of the Controller of Stores for arranging procurement of all these items. The COS has full authority to scrutinize every demand, to question regarding quality of items and modify the quantities.

For small value purchases, however the depot officer as well as Divisional Railway Managers has been delegated powers to do local purchase.

**Agency for Purchase:** Purchase of materials for Railway are arranged either as:

1. Direct purchase by the Railway Administration.
2. Purchase by the Railway board, DLW, CLW, ICF, COFMOW.
3. 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.

**Manufactured by Workshop:**

A substantial number of items particularly spare parts required for the rolling stock are manufactured in the railway workshops by the Railways themselves.

The manufactured items are recouped on a maximum-minimum system. The level maxima and minima are fixed in consultation with the Production Engineers who will be manufacturing and supplying the items. The work orders for manufactures and supply of items are prepared by the stores depots to make the raw materials available for such manufacture.

**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.