

STANDING OPERATING PROCEDURE (SOP)
PROCUREMENT AND LOCAL PURCHASE (P&LP) DEPARTMENT

1. **General.** P&LP Deptt headed by Director along with Admin Offr, Procurement Supervisor and Senior Office Asst perform its duties/functions as an independent Deptt under Registrar Branch. The SOP encompasses all important aspects which facilitate the Deptts for timely and smooth execution of procurement process.

2. **Aim.** To lay down guidelines/SOP for timely and smooth conduct of various procurements in accordance with specifications.

3. **Responsibilities**

- a. Undertake all major/normal procurements/purchases needed for smooth functioning of the University.
- b. To ensure that procurement process is carried out according to the SOP.
- c. To prep/update list of suitable Firms /Suppliers.
- d. Timely initiation of advertisement and preparation of Tender docus according to the Specifications given by Concerned Branch/Deptt Head.
- e. Issuance of 'Purchase Order' to the Firms /Suppliers.
- f. To maintain proper record of procurements/purchases (all docus).
- g. Any addl task/duty assigned by the Competent Auth (CA).

4. **Procurement Methods**

Ser	Procurement Value	Procurement Method	Remarks	Tender Fee(Rs)
a.	Procurement Value upto Rs.50,000/-	Petty Cash	The Competent Authority can increase the amount of Petty Cash keeping in view the frequency and volume of purchases.	Nil
b.	Procurement Value from Rs.50,000/- to Rs.300,000/-	Calling for Quotations (CST only)	Sealed quotations (minimum three) shall be collected from open market/prequalified Firms for Comparative Statement (CST).	Nil
c.	Procurement Value from Rs.300,000/- to Rs.1,500,000/-	LGU Website Tender	Sealed quotations (minimum three) shall be collected from the Firms including prequalified, through LGU Website Tender (for CST). *	500/-
d.	Procurement Value above Rs.1,500,000/-	Newspapers Tender	Open Competitive Bidding Process shall be followed, through Newspapers Tender (for minimum three Bids/CST).*	1000/-

Note. *In case, no of quotations collected through tender is less than three (minimum), prequalified Firms – Pri -1 or other well known/professional Firms – Pri – 2 (Non participating in the Tender), as per nature of the purchase may be asked to offer their quotation(s) in accordance with the specifications given in the tender notice, for healthy competition/to proceed further for the procurement process.

5. **Procurement Process.** Important aspects are as under: -
- a. Receipt of procurement/purchase case after Principle Approval by the CA.
 - b. When procurement/purchase value is Rs. 50,000/- or beyond, CST along with 3 Quotations (minimum) will be prep on Minute Sheet by P&LP Deptt on the recommendation of Purchase Committee in continuity of the Principle Approval.
 - c. In case procurement/purchase value is less than Rs. 50,000/-, one/two quotations shall be collected from pre-qualified Firms/well known & professional Vendors for value assessment/its purchase subsequently for final approval by the CA on Minute Sheet in continuity of the Principle Approval.
 - d. **Endorsement on Min Sheet**
 - (1) Concerned Branch/Deptt Head
 - (2) Dy Registrar (Admin) - when required
 - (3) Dir IT - when required
 - (4) Treasurer
 - (5) Director Internal Audit (Dir IA)
 - (6) Remarks/Recommendation of Registrar
 - (7) Final Approval by the CA
 - e. **Procurement – Flow Chart** - Anx A
 - f. **Purchase Committee** - Anx B
6. **Purchase Requisition (Principle Approval).** The end user (Branch/Deptt Head) will provide purchase requisition after Principle Approval, to P&LP Deptt for further process. Important aspects to be covered in the Purchase Requisition are as under:-
- a. The complete specifications of the item(s) / nature of work services required.
 - b. Quantity required should be mentioned in the requisition.
 - c. The estimated cost of the items required. Quotations may be obtained and attached with the requisition (if available).
 - d. Complete justification of item(s) required.
 - e. Estimated time for completion of delivery of items/work services to be specified.
 - f. The purchase requisition should be thoroughly checked, verified and signed by the end user and Head of Department, keeping in view actual need assessment, value of money and ownership of funds.
 - g. In case of consumable items, the availability will be confirmed from main store/other concerned Deptts. Non availability will be provided by concerned official on Purchase requisition.
 - h. Purchase Requisition Form (**Anx-C**)
 - i. The requisition duly filled will be forwarded to Accounts Department for the confirmation of availability of funds and reassessment of need.

- j. Principle approval of the requisition will be sought under responsibility of the end user (Branch/Deptt Head).
- k. The competent authority can constitute special committee or assigned special task for the execution of technical/complex nature of work.

7. **Tendering**

- a. Approved requisition will be sent to P&LP Deptt.
- b. The P&LP Deptt invites prequalified Firms/well known & professional Vendors for obtaining Quotations/floats tender to participate in competition in press/LGU Web site/ as per approved requisition and in accordance with the SOP.
- c. Tender documents (Terms & Conditions etc) duly completed to be available in Accts Office after publication of Tender Notice (**Anx-D**).
- d. Evaluation criteria must be mentioned in Tender (Bidding) Documents.
- e. Pre-Bid meeting may be called by the Director P&LP. The date, time and venue of the meeting must be mentioned in Tender (Bidding) Documents.
- f. P&LP Deptt will intimate pre-qualified Firms about the Tender Notice.
- g. Tenders will be submitted in the accts office after proper advertisement within the specified tender submission date and time and keep a record thereof for all received tenders/quotations.
- h. In case of poor response, the submission date may be extended with the prior permission from the CA.
- i. Tenders/quotations should be opened by the Purchase Committee including Tech Rep (co-opted member) at the fixed time and date in presence of available bidders.
- j. All members of the purchase committee sign the quotations as well as its corresponding postal envelope.
- k. In case of two bid process, the technical bids should be forwarded to notified technical committee and financial bids of technically sound bidders should be opened on prescribed date which should be mentioned on bidding documents.
- l. During the meeting, if any point of confusion arises the decision of the Purchase Committee will be final.
- m. The quantities of items may be increased/decreased before the tender opening. The time of decision should be enough to communicate the bidders.
- n. Repeat Order clause under procurement rules will be applicable only on current financial year procurement.
- o. Rate Contract will be valid for a year. The clause of rate contract should be mentioned in bidding documents.

8. **Request for Quotations (RFQ) cases**

- a. Quotations will be called/collected from pre-qualified Firms/well known & professional Vendors.
- b. Notice for collection of Quotations along with detailed specifications will be prepared by the P&LP Deptt in consultation with the end user (Branch/Deptt Head).
- c. In case of poor response by the pre-qualified vendors, quotations may also be collected from the open market for healthy competition.
- d. The quotation will be inclusive of all applicable Govt taxes.
- e. Invoice/quotation must mention the NTN/GST/CNIC

9. **Comparative Statement/Bid Sheet**

- a. Comparative statement is prepared by P&LP Deptt within 2-3 working days after the opening of financial bids.
- b. The prepared comparative statement is signed immediately by all members of the Purchase Committee including Tech Rep (co-opted member) and it should be submitted for approval of Competent Authority through respective Branch/Deptt Head (if required), Treasurer, Dir IA & the Registrar .
- c. The rates taken in comparative statement should be inclusive of all applicable taxes.

10. **Earnest/Retention Money**

- a. Earnest money @ 2% of total bid price will have to be submitted by the Firms/Vendors in form of Call Deposit Receipt (CDR) in favour of LGU along with the tender documents. The same will be returned to Firms/Vendors just after the approval of comparative statement except the Firms/Vendor who has been awarded the purchase/work.
- b. The earnest money of awardee will be released on satisfactory delivery of items.
- c. An amount of 5% to 10% of the total value of invoice price or bank guarantee will be retained till the warranty period keeping in view the nature of purchase.

11. **Purchase / Work Order**

- a. After approval of the Competent Authority, P&LP Deptt will accordingly issue the Purchase/Work Order in accordance with the terms and conditions enlisted in the tender documents.
- b. Purchase/Work Order must be issued through courier and a copy is given to concerned stakeholder (if required).

12. **Amendments / Variations**

- a. Amendment in any terms and conditions involving change in the delivery period as per the Purchase Order; due to some unforeseen circumstances beyond control; must be submitted in writing by the Firms/Vendor to the Purchase Committee before the expiry of the delivery time.
- b. Request of the Firms/Vendor is discussed in a meeting of Purchase Committee with the consultation of end user (Branch/Deptt Head).
- c. After deliberation Purchase Committee may extend delivery time against the request of the Firms/Vender. The decision of Purchase Committee will be final.
- d. In case the request for extension is received after the expiry of delivery date, the Purchase Committee will discuss/recommend in consultation with the concerned end user (Branch/Deptt Head).
- e. The Firms/Vendor is apprised by the P&LP Deptt in writing about the decision of the Competent Authority on his request on the recommendation of Purchase Committee.
- f. The variation in civil work will be acceptable upto 10% of the cost. Beyond this limit the approval from competent authority will be mandatory.

13. **Follow Up / Track of Deliverables/Works**

- a. Purchase/Work Orders are monitored and tracked constantly by the P&LP Deptt for timely completion / deliveries and its copies (concerned file) retained as record.
- b. P&LP Deptt should remain in touch with the Firms/Vendors/Contractor for supplying the items/completion of work in time. However, if the Firm/Vendor fails to deliver the items in time then the Firms/Vendor will be charged penalty as under:-
 - (1) 1% of the total invoice price for 5 working days.
 - (2) 2% per of the total invoice price for further 5 working days.
 - (3) If the Firm/Vendor fails to deliver the items during the extended period then the Purchase/Work Order will be cancelled, earnest money and payment(s) will be forfeited.
 - (4) Purchase Committee within rules and regulations recommends measures / solutions to the competent authority for handling the expired delivery period etc.

14. **Receipt of Supplies /Goods / Work Services**

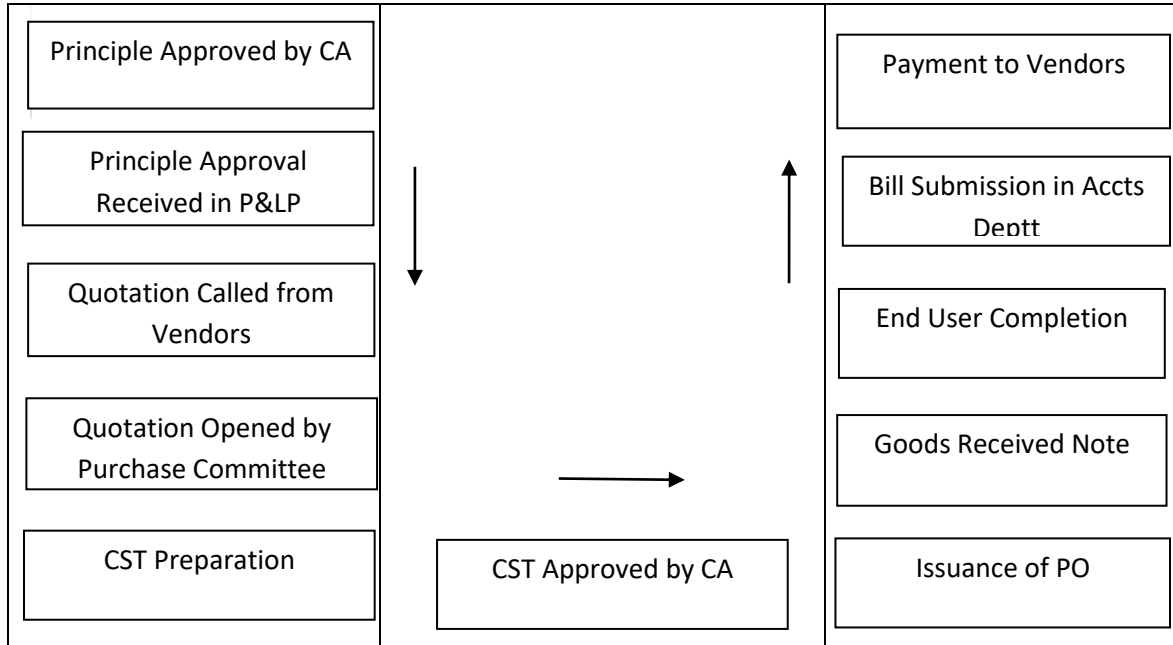
- a. The vendor(s) through delivery challan; hand over the supplies as per purchase order to the P&LP Deptt.
- b. Concerned Branch/Deptt Head (including Dy Registrar-Admin and Dir IT) completes the Goods Received Notes (GRN)/completion certificate (if required) etc.

15. **Release of Payment**

- a. End user (Branch/Deptt Head) Good Received Notes (GRN)/completion certificate (if required) etc and completion of all essential/mandatory formalities for release of payment. Completion certificate **(Anx-E)**
- b. The P&LP Deptt recommends release of payment for supplied equipment/work services when all conditions are fully met.
- c. In case of partial payments, the scheme of payment will be mentioned in terms and conditions.

16. **Conclusion** Procurement is a process and not an event or one time activity. Hence, it remains open to changes and /or modifications to remain in step with fluid market dynamics and shifting business practices. Spirit of this SOP, therefore, remains that of a guideline and not of an impediment to affect procurement.

PROCUREMENT – FLOW CHART



COMPOSITION OF PURCHASE COMMITTEE

- a. **President** Director P&LP
- b. **Members**
 - (1) Asst Dir Admissions
 - (2) Care Taker
 - (3) Asst Treasurer
 - (4) Procurement Supervisor
 - (5) Tech Rep from concerned Branch/Deptt