

PURCHASE POLICY

Purpose:

To define the Purchase system

Scope:

The Purchase requirements of various departments and sections of this institution are being met by the purchase department.

Responsibility:

Purchase Officer:

1. The purchase Officer will make enquiries with the suppliers and other traders regarding the quality, price etc. of the items required.
2. All the local purchases are arranged by the Purchase Officer.
3. He will invite quotations from the suppliers for various products when it is approved by the Management.
4. He will make negotiations to his level with the suppliers prior to approval of the Management.
5. He will conduct the purchase committee Meeting.
6. He will ensure the speedy arrival of the products.
7. He will manage the purchase office and all other purchase activities.

Store Keeper:

Store is attached with the purchase department.

1. All purchases are entered in the purchase register kept in the store.
2. He will verify all the purchased items and the items to be kept in the store will be arranged in the order.
3. All the bills are to be entered in the Stock register and will issue Goods Receipt Note.
4. He has to place indents to the purchase officer to purchase the needed items.
5. Issue of items to the faculties and other staff members as per their demand.
6. Maintenance of store records etc.

Purchase Assistant:

1. All the clerical works related to the local purchase and all other purchases.
2. Preparation of Note files
3. Maintenance of purchase registers & other records.
4. Issue of purchase order.
5. Verification of bills and submission of the same to Accounts department.
6. Maintenance of files and register etc.

Procedure:

Purchase Order:

For all items other than local purchase items, purchase order is issued to the supplier after considering the concerned department's suggestions. The purchase order is issued in printed format after completing all formalities such as inviting quotations in necessary cases, confirmation of the quality of goods, suitability in accordance with our specification.

Purchase Register:

This register is maintained by the purchase department. All requests from the departments and other sections orally and in writing are registered in this register and registration number is given on the request. The register shows the expected date of delivery of the goods ordered, date of delivery of the product and the quality of the goods as recommended by the user department. There are various column in the register which shows the department from where the request is made, whether the request is in oral or in writing, purchase order no. amount, expect date of delivery, actual date of delivery, date of stock entry made, remarks of the user department etc. once, the purchase order is approved, the same is sent to the supplier for the execution of the order.

Supplier Selection:

This department has kept a purchase register to register all the requirements of various departments and sections. For all high value items, quotations are invited from competent suppliers as per our vendors list. The quotations so received will be verified and a comparative statement is prepared. This statement along with the quotations and the file is sent to the user department in order to find out whether the product conforms to specified purchase requirements. The expected time of delivery of the product will also be checked. After getting the consent of the user department, the file is placed before the purchase committee. Then the purchase order is issued to the supplier in a printed format. The terms of the supply agreed by both the parties are mentioned in the purchase order. The ability of the supplier to supply the required product in accordance with the institutions requirements will also be verified. For low value items, enquiries are made with various traders and considering the quality and the price, order is given and local purchase is made.

Record of the approved suppliers:

There is a vendors list showing the details of vendors item wise and from time to time, the list is updated.

Data related to suppliers credential:

The efficiency of the supplier is calculated on the basis of the quality of their product and time taken for the delivery of the product etc. However, we do give importance to the suppliers with clean track record with regard to the quality of the product and the delivery of the product in the expected date.

Supplier Communications:

For all high value purchase items, we will build a file in which communication will; be made in writing with the suppliers and finally purchase order is issued in a printed format. Communications regarding local purchase are made over phone. For all

essential communications, records are made in the life. The department and the user department will ensure the adequacy of specified purchase requirements prior to the issuance of the purchase order to the supplier. The user department will make the inspection and other activities to ensure that the product ordered meets the specified purchase requirements.

Goods Receipt note:

The store is also attached with the purchase department. All the items purchased are entered in the stock register kept in the stores and the entry will be recorded on the bill and goods receipt note is issued. Entries are made by the user department in their stock register also.

Supplier Performance related date:

A data is mentioned with regard to expected date of delivery, quality of the goods as certified by the user department, so that assessment about the ability and dependability of the supplier can be made.

Supplier evaluation procedure and record:

The performance of the supplier is assessed on the basis of the quality of the goods, time taken for the delivery of the goods etc. and grade is given to each party annually. While preparing the performance related data, the following things are considered.

- Expected date of delivery
- Actual date of delivery
- Quality of the product as certified by the user department

On this basis, evaluation about each supplier is made, 60% weightage is given for the quality and 40% for the delivery.

Supplier re-evaluation Procedure & Records:

If the supply is found delayed abnormally and the products are of substandard, there is no other alternative, but to blacklist such suppliers. After a given period, if the services of the supplier are found to be worthy, we will again assess his performances from other buyers. Samples of his goods and pamphlets will be invited to assess and re-evaluate his performance. If necessary, spot inspection by the user department will be made.

REFERENCE: