

**North-Eastern Railway  
Stores Department**

**Sub: Purchases made by the Depot officers and by Divisional Stores  
Officers- Procedures regarding**

**Preamble:**

1. In past, field officers were given limited purchase powers to cater local needs. Later, over a period of time, though delegated powers were extended beyond local purchases through tender, no formal and defined mechanism of registration of firms per-se was put in place especially for the purpose of issuing limited tenders at Division(s) / Depot(s). As a matter of fact, as per Railway Board guidelines, the registration function remained centered at HQ and was seen purely as a Head-Quarter level function without formally extending it to Depot(s) / Division(s). Further, recently, with the delegation of power to field officers at par with HQ officers for purchasing the goods, there is an inescapable necessity to streamline the procedures to be followed by field units. Since essence of purchasing is the rational source selection, need to lay the basic guideline for selection of firm(s), mode of purchase(s) & eligibility condition(s) cannot be over emphasized. This step is also considered necessary for the purpose of maintaining uniformity and transparency amongst the various field units. Vigilance Department has also emphasized the necessity to issue necessary guideline(s) / Procedure Order(s) in this regard. Accordingly matter has since been examined in detail and following Observations are made.
  - 1.1. In past, there used to be provision to issue fortnightly Bulletin to firms registered with Zonal Railways. Such Bulletin used to contain information about large numbers of tenders (except open tenders) issued and due for opening. Such privileged information were used to be available to registered firms only. Needless to mention that when such a privilege were being granted to sources on the basis of their registration, registration was an high priority area and which was being done only after assessing the capacity and capability of firm involving the inspection of their premises by an officer not below the rank of JAG as has been actually prescribed in the

Railway Board letter No. 76/RS(G)/164/16 dated 24.2.1978. However, subsequently, as a consequence of tenders being issued on-line on IREPS platform, issuance of Bulletins got discontinued. In result, one of the main attraction behind registration disappeared.

- 1.2. Secondly, by applying the Principle of objectivity also, Registration per-se does not impart any extra benefits to the firms such as exemption from EMD etc. As per extant instructions, all manufacturers and their authorized agents are even otherwise exempted from EMD.
- 1.3. Thirdly and most importantly, firm's entry in the Railway system is governed by the Eligibility Criteria mentioned in Bid Document, which does not prescribe any preference or extra benefits to the firms registered locally. In view of the above mentioned reasons, firms are no longer interested in getting themselves registered.

## **2. Procedure/Guidelines:**

In the above mentioned background and after considering the issue in totality, following guidelines are issued:

- 2.1. Purchases up to Rs 1 Lakh are considered as Local Purchase, which should be dealt with as per extant instructions on this subject.
- 2.2. As far as demands of more than Rs. 1 Lakh are concerned and for which no approved source exists, the procurement should normally be made through OT as per the Bid Conditions of NER, which inter-alia also contain the Eligibility Condition.
- 2.3. Items for which approved sources exist, Limited Tenders can be issued as per delegation of powers and circumstances indicated in Model SOP 2018.
- 2.4. Limited Tenders for the items above Rs 1.0 Lakh for which no approved source exists, should be issued by Field Units only where circumstances warrant such action duly recording the reasons and where purchase officer is satisfied that material availability can't be ensured through OT system in required time frame. While issuing

the LT, the selection of firms should essentially be made on the following parameters:

- i) Registered firms with the HQ for that trade groups should be included.
- ii) As per Para 2.2 of Part D of Model SOP-2018, LT panel shall include, among others, likely sources certified by user department, last suppliers and suppliers known to purchase officer. Basically it is advised to work on the principle of inclusion; and therefore, based on the information given by any supplier along with the supporting documents and/or the information obtained from IREPS and/or firms supplying same/similar items to sister units/Divisions should be included.
- iii) For (i) & (ii) above, if the number of vendors are too large, then firm should be selected on rotational basis in a transparent and judicious manner duly recording the reason in the relevant case file.

3.0. All purchases, irrespective of the value of purchase, will have to be made on IREPS platform.

This has the approval of competent authority.

  
S.R. Prasad  
Dy. CMM/G

No. S/Misc/Policy Firm Regn./2018

Dated: 05/09/2018

Copy to :

- SDGM, it disposes the Dy. CVO(S) letter no Z/13/NOC/2016/09/00949/PC/459 Dated: 30/07/2018.
- All Sr. DMMs for kind Information and necessary action.
- All Depot In-charge for kind Information and necessary action.

✓ C DMS/Comp.