

## **Purchase Division**

Purchase division is engaged in the procurement of Maveli items for sale through the outlets, Poly propylene covers used for packing the commodities and other stationery items required for office.

### **A. Detailed procedure on the procurement procedure in Supplyco for Maveli items**

#### **E-tender and E-auction**

For the procurement of Pulses, Spices, Sugar and Rice which are sold through the outlets of supplyco e-tender and e-auction is conducted on a monthly basis. A custom made software Tenderwizard is used for the e-tender. E-auction is conducted through NeML, the auction platform of NCDEX.

Vendors who had registered with the Supplyco can participate in the e-tender and those registered with Neml can participate in the e-auction.

#### **Registration of Vendors.**

Supplyco is having a Vendor Development Cell. For registration as a vendor they will have to submit documents to prove their identity, experience, licences. The list of documents required is published in Supplyco website. They will have to register through online and submit all the required documents duly attested by a Notary for verification. The committee after verifying the documents approve the registration and the approved vendors can participate in the tender conducted.

#### **Notice**

Tender notice is published in website and e-mail sent to all registered vendors. Quarterly notice is given in 16 newspapers circulated in various places of the country covering all major production centers inviting vendors to register with supplyco for participating in e-tender and e-auction.

## **Earnest Money Deposit**

The suppliers who are interested to participate in e-tender conducted by supplyco will have to submit EMD for each item. EMD required for each item is specified in the tender Notice. EMD is collected to ensure that only genuine suppliers are participating in the tender. Rate offered by suppliers who had not submitted EMD is disqualified and their rates will not be considered.

## **Indent**

Monthly indents are collected through Tenderwizard. A list of items which are proposed to be included in the tender is given in the indent sheet. The depot manager has to submit the indent based on their requirement of each item. The indent quantity to be submitted should be based on the average three months sale through the various outlets coming under the depot. The stock in transit (item in previous PO not yet delivered in the depot), the stock in hand also to be considered while making the indent. The formulae used for arriving at the indent is  $\text{Indent quantity} = [(\text{Avg. 3 months sale} \times 2.5) - \text{Stock in transit} - \text{Stock in hand}] \pm (\text{additional or less stock if any required or not required})$ .

## **Items**

36 to 42 items based on the indent received from the depots and sold through the outlets of supplyco is included in the tender. The tender and e-auction is conducted with the consolidated quantity of indent received from the depots. Depot wise quantity is published in the BOQ(Bill of Quantity) for inviting the rates in e-tender. District wise and Regional wise quantity is used for reverse auction.

## **Specifications**

Detailed specification of each item to be supplied is published as part of the tender notice. The specification included the size, structure, colour and other standards required for identifying each product. The sample submitted by the vendors also is verified at the QA division.

**Rate**

The vendors will have to offer their best rates in each depot against the quantity required for the item as per the specification mentioned in the tender document. The vendors can offer rates in one depot or more depots but they should be ready to supply the full quantity required in each depot where they offer the rates.

**E-auction**

Reverse auction is conducted for major items. In reverse auction suppliers offer their rates against the quantity required. The suppliers will be able to see the lowest rates during the auction period and other suppliers can reduce the rates for getting the orders. The supplier who offers the lowest rate on completion of e-auction is declared the winner in e-auction and the same is communicated by Neml to supplyco after the auction is completed.

**Tender Opening**

E-tender is opened by three officers in presence of other Head office management committee members (All division heads are members of HOMC) using digital signature after the completion of auction. The tender once open, the rates offered by all the suppliers will be visible to all participating suppliers. The vendors who offer the lowest rate in each depot will be the L1 vendor for that depot.

**HOMC Meeting**

The rates received in e-tender and e-auction is placed before HOMC. The rates are compared and lowest offer for each depot is arrived at. Minimum two offers are required for a valid bid for each item. The market rates of each item from all wholesale markets in the state is collected through Regional managers, Newspaper rates, rates published by Economics and statistics department, rates published by Indian Chamber of Commerce and Industries are collected and placed before HOMC for comparison and analysis. HOMC considering all these facts recommend for purchase or not

to purchase or for further negotiation or re-auction in case of each items. Detailed minutes are prepared on the basis of HOMC meeting. The suggestions are implemented with the approval of Managing Director.

### **Negotiation**

Negotiation is conducted online with L1 vendors only for the depots where they had offered the lowest rate.

### **Re-auction**

Re-auction is conducted by Neml as a fresh reverse auction for the items as directed by the corporation.

The results of Negotiation and re-auction will be considered again by HOMC and HOMC after considering the market rates and previous procurement rates will recommend for purchase or for re-tender if required.

The recommendation of HOMC will be placed before GM and subsequently CMD for approval. On approval of CMD purchase order will be prepared.

### **Purchase Order**

Based on the results of e-tender and e-auction and the decision of Supplyco the vendors are awarded with Purchase Order for supplying the items at the depots. Purchase order will be having number, date and will specify the schedule of supply and other conditions of supply. It will specify the quantity, location and rate of the same. The purchase order will be submitted for audit verification. After the verification by audit the purchase order will be issued to the successful vendor through online through the tender software.

### **Security Deposit.**

The vendor who receives the purchase order will have to submit a security deposit of 5% of the total value of purchase order. The same will be returned after the successful completion of supply and after releasing all the payments for the supply. It will be forfeited in case of default in supply.

**Acceptance of Stock.**

The stock will be accepted at the depots as per the terms and conditions in the purchase order after ensuring the quality of the stock. As per the tender condition if the stock delivered is not as per the specification of the items prescribed the stock is subject to rejection by QAC of the depot. The supplier is bound to take back the rejected stock within the days specified in the tender. Any delay in taking back the rejected stock will lead to storage charges. Any supply made after the phase date will be charged with delay cut mentioned in the Purchase order. The stock supplied will be having a warranty of two months. Any damage during the warranty period will be the responsibility of the Supplier.

**Payment**

The payment for the purchase will be processed at Head office based on the GRS (Goods receipt sheet) received online through the payment software and with the bills submitted by the vendor. The payment processed will be forwarded to audit section for verification and the audit section will be forwarding the same to Finance section for releasing the same if all the documents are in order through the software. Finance section will be releasing the payment directly to the bank account of the supplier concerned.

**Board Approval.**

The entire details of purchase will be placed before the Board of Directors as an agenda note for recording the same.

**B. Procurement of Packing Cover**

E-tender is conducted for the procurement of Poly propylene packing cover in various sizes with 50 microns thickness for packing pulses, spices and other such items at our outlets. The detailed specifications and conditions are specified in the tender document.