



SRI MANAKULA VINAYAGAR ENGINEERING COLLEGE
(An Autonomous Institution)
Puducherry - 605 107



PURCHASE POLICY

Policy
Version 2.0



SRI MANAKULA VINAYAGAR ENGINEERING COLLEGE
(An Autonomous Institution)

Puducherry - 605 107

NOTIFICATION

Ref: **SMVEC / IQAC / ACAD / JAN 2023**

Date: **10-01-2023**

In the pursuance of the resolution passed by the Governing Body Meeting at its meeting held on December 31, 2022 in its resolution no. GB 2022.05.09 and the decision was taken by the Management of SMVEC

It is hereby notified for information of all concerned that the Sri Manakula Vinayagar Engineering College, Puducherry has published the Purchase Policy. This will come into force with immediate effect.


Dr. AA. Arivalagar
IQAC coordinator


Dr. S. Anbumalar
Dean Academics (Circuit)


Dr.V.S.K. Venkatachalapathy
Director cum Principal

PURCHASE POLICY OF SRI MANAKULA VINAYAGAR ENGINEERING COLLEGE, PUDUCHERRY

PURPOSE

The purpose is to establish policy and procedures for the College to procure goods and services. This policy will ensure SMVEC College has sound purchasing practices and appropriate controls in place to support the efficient and effective expenditure of the funds allotted.

Purchasing is responsible for the procurement functions of SMVEC College. Generally, within guidelines described in this Policy and Procedures document, individuals may initiate purchases covered by funds approved in their departmental or divisional budgets. The final approval of the purchase to commit and expend funds rest within Purchasing, which is responsible to ensure compliance to all SMVEC College purchasing policies and procedures prior to the issuance of a SMVEC College Purchase Order.

When procuring any equipment, services, and facilities, SMVEC College will incorporate accessibility criteria and features. Where applicable, procurement documents will specify the desired accessibility criteria to be met and provide guidelines for the evaluation of proposals in respect of those criteria. Where it is impractical for the College to incorporate accessibility criteria and features when procuring or acquiring specific items, materials, equipment's, services or other facilities, the Administrative Officer/Manager will provide a written explanation, on request.

The College will participate with other government agencies or public authorities in cooperative acquisition ventures where it is the best interest of the College to do so.

SCOPE

This policy applies to all college employees involved in initiation, processing and approval of the necessary documentation and activities for purchasing of goods and services.

Employees who do not comply with the procedures and policy outlined herein may be subject to disciplinary action.

PROCEDURE

Purchasing Responsibilities

Purchasing facilitates the purchase of goods and services for SMVEC College by supporting departments in making sound purchasing decisions which maximize the use of the funds. A high degree of integrity and sound competitive purchasing practices are maintained.

Purchasing is mandated to seek competitive pricing on any College purchase where there may be an opportunity for significant cost savings. No commitment to purchase goods or services on behalf of SMVEC College will be made by anyone without a valid purchase order. Suppliers will be advised not to accept orders for goods and services without a purchase order.

Where appropriate, the process may involve quotations, proposals, or purchase by negotiation. The requisitioning department, in consultation with Purchasing, is responsible for developing the required quotation, request for proposals, or tendering documents.

Purchasing must be involved in all considerations for major acquisitions. To ensure objectives are achieved, departments are responsible for clearly defining their needs and quality requirements, assessing what is to be accomplished through the proposed major expenditure, and providing this documentation to Purchasing. The lowest price is not the only deciding factor in vendor selection, appropriate evaluation and accessibility criteria will be identified and used consistently by the evaluation committee (Purchase committee of the respective department).

Purchasing Cycle

A purchase order for the acquisition of goods and services is initiated when a department prepares a purchase requisition. Using a Purchase Requisition form, the requisitioning department specifies the vendor, the product and its price, the account code to be charged, and the required date.

Original (including electronic) quotations (as identified under "Purchasing Limits") must be forwarded to the administrative office. Persons with the proper signing authorities for the account codes must approve the purchase requisition. The Purchase Requisition Form is then forwarded to Purchasing, who creates a Purchase Order. This is done in the financial

information system. Purchasing will only create a purchase order if the information on the purchase requisition is correct, including proper account code and signing authority. A contract will only exist between SMVEC College and a vendor when an official purchase order has been issued and accepted. Once goods are received, the packing slip is matched to the order and entered into the financial information system by Central Stores. Invoices are matched to the purchase order, packing slips, and receiving prior to payment being made.

Purchasing Code of Ethics

SMVEC College is committed to conducting its business affairs in a socially responsible and ethical manner. All SMVEC College employees shall maintain and practice the highest standards of business ethics, professional competence and accountability when dealing with College suppliers.

Goals:

I. Personal Integrity and Professionalism

Individuals involved with purchasing or other supply chain-related activities must act, and be seen to act, with integrity and professionalism. Honesty, care and due diligence must be integral to all purchasing activities.

II. Accountability and Transparency

Purchasing activities must be open, fair and accountable, and conducted to obtain the best value for Student's money while considering accessibility. Public sector resources are to be used in a responsible, efficient and effective manner.

III. Compliance and Continuous Improvement

Individuals involved in purchasing must comply with this Code of Ethics. All individuals should continuously work to improve purchasing policies and procedures, to improve their knowledge and skill levels and to share leading practices.

Guidelines:

- To consider the interest, objectives and policies of SMVEC College in all transactions.
- To consider accessibility needs of persons with a variety of disabilities when purchasing goods and services.
- To strive to obtain, without prejudice, maximum value for each rupee of expenditure.
- To conduct with suppliers in an atmosphere of honesty and good faith, and remain scrupulously free from any obligation or conflict of interest.
- To accord a prompt and courteous reception, and provide fair and equal opportunity to all suppliers.
- To ensure the fair and impartial award recommendations for all suppliers.
- To decline to take advantage of honest errors by suppliers, and avoid putting them to unreasonable expense.

Purchasing Confidentiality

In order to promote fair competition practices, SMVEC College does not divulge to competitors pricing details of goods purchased from other vendors.

EXTERNAL PARTIES

External parties are required to self-disclose to the purchasing department any potential conflict or perceived conflict. An assessment of same will be done and a determination made.

Gifts

In order to foster a competitive environment and preserve the image and integrity of SMVEC College, employees may not accept gifts from vendors. Nominal items such as pens, calendars or reasonable hospitality accepted as a courtesy of a business relationship may be allowed.

There are certain circumstances where goods, services or capital items may be available from only one source, or other situations involving emergency repairs, partnership initiatives, specialized services or goods from approved vendors, where the quotation, proposal or tendering process is not possible. In these situations, the ordering area will confirm the situation in writing and recommend to the Manager of Procurement that the quotation, proposal, or tendering process be waived.

Signing Authorities

The levels of approval are set in the College's signing authority policy.

All purchases must be properly approved, comply with authorization limits, and be within the College's approved budget.

Multi-Year Supply or Service Contracts:

To help ensure that the prices paid for major purchases are competitive, as well as to give all potential suppliers a fair opportunity to obtain college business, multi-year contracts for goods or services should not exceed five consecutive years before the supply or service requirement is re-tendered. For example, auditing and banking services are tendered every five years.

Methods of Procurement

The appropriate method of acquisition of goods and/or services is dependent on the type of good or service requirement. The following methods describe the different processes which apply to the acquisition of goods and services at the College:

Purchase Order Requisition

Most goods and services from an outside vendor are procured via a regular purchase order requisition process through the financial information system. Generally used for goods or services purchased at the time and paid for in a lump sum.

Standing Purchase Order

Repetitive purchases of an item(s) that will be required on an on-going basis will be handled by means of a standing purchase order. Used when purchasing goods and services on a regular basis from the same company for one fiscal year.

Central Stores Requisition

Supplies from Central Stores are procured via online "Stores Ordering Requisition Form" available through the Intranet. Central Stores carries commonly used office supplies and paper. A complete list of items stocked in Stores can be obtained via the Intranet or thru Central Stores personnel.

Prepaid Purchase Order

When a vendor will not accept a purchase order or an application for a line of credit, a prepaid purchase order will be created. To create a cheque to prepay the vendor for the goods or services, an invoice must be provided for pricing and product information. In the event that an invoice cannot be provided, documentation, such as an email detailing pricing, must be provided before a purchase order will be created. A copy of the purchase order will be sent along with the cheque which will reference this purchase order.

Personal Purchases

SMVEC College does not allow the purchase of personal goods through the organization's Purchasing system. Also, employees are not to inappropriately use the College's name to secure personal goods.

Material Safety Data Sheets

SMVEC College subscribes to a safe environment in the acquisition and disposal of all hazardous substances in accordance with the Occupational Health and Safety Legislation. It is the responsibility of the requisitioner to determine if the product being ordered is defined as hazardous materials.

All hazardous materials brought on campus must have current Material Safety Data Sheets (MSDS), and the Health Centre Office Assistant must be notified. If a MSDS is required, this should be noted on the purchase requisition by the requisitioner that a current MSDS must be provided with the shipment. MSDS are current if the date of preparation is not more than three years old.

It is the responsibility of the person ordering hazardous materials to ensure that adequate storage facilities are available within the department before the material is actually received.

Safety Requirements - Electrical/Electronic Equipment/Gas Equipment, etc.

Receipt of Goods

In order to confirm receipt of goods, receiving must be done through Central Stores receiving personnel. If an employee picks up items listed on a purchase order, a signed packing slip or

invoice must be forwarded to the Central Stores immediately and Central Stores must physically verify the receipt of these goods.

Receipt of Services

In order to confirm receipt of services, Central Stores must be notified via e-mail once the service has been received, citing the purchase order number.

All goods and services purchased through purchase orders must be electronically noted as received on the financial system prior to payment of invoices.

Discrepancies

It is Central Stores responsibility to match goods received to the packing slip at the time of delivery. If there is a discrepancy (missing items or damaged goods), the vendor will be notified by the department immediately. The discrepancies must be noted on the packing slip and forwarded to Accounts Payable.

Back-Ordered Goods

SMVEC College accepts back-ordered goods. If the requisitioning department no longer requires these items they must contact Purchasing in writing to initiate cancellation of the purchase order. Upon request, Purchasing will contact the vendor.

Return of Goods

When purchased goods need to be returned to the vendor, it is the requisitioner's responsibility to contact the vendor to facilitate the return/exchange and the subsequent crediting of the account. Central Stores will enter returned goods into the system. Accounts Payable must be notified to ensure payment is not made to the vendor for these goods and, if required, appropriate credit memos are issued. Any shipping costs incurred are the responsibility of the requisitioning department.

Purchase Order Increases

When the value of procurement increases, it is necessary to ensure that the appropriate signing authority approval has been obtained prior to increasing the purchase order. This is especially important when the purchase order increase causes the purchase order value to

exceed the approval threshold of the original approver. Approval for purchase order increases must be obtained prior to proceeding with the ordering of the goods or services.

Price Adjustments

SMVEC College requires that the proper signing authority approve all price adjustments on a purchase order. This is to ensure that all of the parties involved are aware of any price discrepancies that occur. When a price variance is identified, an email identifying the Purchase Order number and the amount in question will be completed by Accounting or Purchasing and will be forwarded to the proper signing authority for authorization.

Cancellation of Purchase Orders

Purchase orders that cannot be filled by the vendor will be cancelled by Purchasing and the requisitioning department notified.

If the requisitioning department chooses to cancel an order or part of an order, Purchasing must be notified in a timely manner. An adjusted purchase order will be prepared and mailed to the vendor. Any incremental shipping costs or restocking fees incurred will be the responsibility of the requisitioning department. Upon request, Purchasing will contact the vendor.

Evaluation

Evaluation criteria which include accessibility features should be developed, reviewed and approved before the competitive process begins. These criteria must be included in the competitive documents. These documents must also identify those criteria that are mandatory and any technical standards that need to be met. The evaluation criteria cannot be changed or altered once the competitive process has begun.