



## SOUTH CENTRAL RAILWAY

General Manager's Office,  
Secunderabad – 500 025.

No. G. 203/Policy/Tans/Vol.III

Date: 16.11.2018

### MEMORANDUM

Sub: Correction Slip No.3 to the Model Schedule of Powers 2018 –Procurement through Spot Purchase and other guidelines (Item No.2.3), Part 'D' of Model SOP 2018, Stores Matters.



The following Amendments/Modifications are issued for Procurement through Spot Purchase and other guidelines (Item No.2.3), Part 'D' of Model SOP 2018. An Annexure 'A' shall be included to Part 'D' of Model SOP 2018 as follows:-

**Annexure 'A'**  
**Procurement through Spot Purchase**  
**(Only for Emergent Non-Stock items including furniture etc)**

**I. Model guidelines and delegation of powers for spot purchase are as under:**

1. There may be occasions to purchase materials on the spot without following the formal tendering system but by collecting offers through physical visit of the premises of the firm/agency by the nominated officers. This mode of purchase is commonly known as 'Spot Purchase'.
2. The concept of Spot Purchase, for the purpose of purchase, will be followed in very exceptional circumstances and should be supported by proper justification. Invariably the need to resort to spot purchase shall fulfill conditions as laid down below:

- a. The stock item shall not be procured through spot purchase.

For purchase of non-stock items where demand could not be foreseen in advance and material is required urgently for safe operation and where cash purchase powers are considered inadequate and emergency purchase through formal invitation of tenders etc., is likely to take considerable time.

- b. For purchasing of non-stock items which are required occasionally and making the detailed specification for the same is not considered practicable/economical or items of consumable nature where the quality available in the market is rapidly changing hence, it is not possible to finalize the specification and materials can be obtained by personal examination of feel, finish and appearance etc., like furniture, cutleries, linens, carpets and other furnishing items etc.
- c. Spot purchase shall not be resorted to for purchasing such items which have got detailed specifications and drawings and are required to be purchased only from approved sources.
- d. Since Spot Purchase is one of the modes of purchase, therefore there should be a proper requisition for non-stock items duly signed/approved and vetted by competent authority as per SOP and following extant guidelines on the subject of allocation of expenditure.

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16/11/2018

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3. The proposal for Spot Purchase of 'Non-stock' items shall be submitted for the specific approvals of the authorities detailed in the table at II, by the consuming department concerned after obtaining the concurrence of Associate finance and ensuring adequate availability of funds.

**II. CONSTITUTION OF PERMANENT STANDING COMMITTEE FOR SPOT PURCHASE**

1. The Administrative arrangement of spot purchase shall be exercised under inescapable circumstances duly recording reasons at the level of DRM/GM.

Sl. No.	Level of Spot Purchase Committee	Competent Authority	Remarks
1	<b>AT DIVISIONAL LEVEL</b> For Purchases up to Rs.5 lakhs (i) Junior Scale/Sr.Scale/JAG Officer of Consuming Department (ii) Junior Scale/Sr.Scale/JAG Officer of Stores Department (iii) Junior Scale/Sr.Scale/JAG Officer of Accounts Department	DRM	<p>Note:</p> <p>1) Where more than one Sr.Scale/Assistant Scale Officer is available, the Officer looking after the tenders of the particular Department/Branch/Section will be the Standing Member.</p> <p>2) The concerned Associate Finance Officer looking after the Tenders of a particular Department/Branch/Section will be the Standing Member from the Accounts Department.</p> <p>3) Where Assistant Scale Post does not exist or is vacant, Senior Scale Officer will associate with Committee.</p> <p>4) Where Senior Scale Post does not exist or is vacant, a JAG Officer will be the Member of the Committee and vice-versa.</p> <p>5) Where Accounts/Stores Department is the Consuming Department, the third member will be from the Engineering Department.</p> <p>6) In the event of non-availability of an Officer from Stores Department in Division/Workshop, alternative Member from Stores/Headquarters may be drafted by the Consuming Department, in consultation with PCMM.</p>
2	<b>AT HQRS LEVEL/ CONSTRUCTION ORGANIZATION/ WORKSHOPS.</b> For Purchases up to Rs.5 lakhs (i) Assistant Scale Officer of Consuming Department (ii) Assistant Scale Officer of Stores Department (iii) Assistant Scale Officer of Accounts Department	GM	
3	<b>AT HQRS LEVEL/ CONSTRUCTION ORGANIZATION/ WORKSHOPS/ DIVISIONS:</b>		
	(a) For Purchases above Rs.5 lakhs and up to Rs.20 lakhs. (i) Senior Scale/JAG Officer of Consuming Department (ii) Senior Scale/JAG Officer of Stores Department (iii) Senior Scale/JAG Officer of Accounts Department	DRM upto Rs.10 lakh. Above Rs.10 lakh - GM	
	(b) For Purchases above Rs.20 lakhs . (i) JAG of Consuming Department (ii) JAG of Stores Department (iii) JAG of Accounts Department	GM	

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16/11/2018

2. The Spot Purchase would invariably be made by a Spot Purchase Committee consisting of 03 officers, one from Stores Department (to be nominated by DRM/PCMM), one from Accounts Deptt. (to be nominated by DRM/PFA ) and one from indenting department (to be nominated by concerned co-ordinating PHOD/DRM). The Stores officer will act as the Convenor to the committee.
3. After the proposal is approved by competent authority as mentioned above, proper file will be opened in convener's office against the requisition for Non-stock items.
4. If there is more than one item to be purchased at one time, the total value of all the items will be the guiding criteria for deciding the level of the committee and the competent authority to sanction.

### III. Procedure for Spot Purchase

1. The Spot Purchase Committee will first make a market survey including GeM and then duly considering the sources indicated by the indenters, shall obtain quotations from suitable sources and while obtaining the quotations for items to their specification, normal rules laid down for obtaining the quotations (as in the case of cash purchase) will be followed. In conducting their business, the Committee shall give due regard to the Canons of Financial Propriety, while doing Spot Purchase.
2. Inspection of materials, if required/called for, shall be done by Member of Indenting department or his authorized representative.
3. The committee will draw proceedings duly covering all the aspects listed below:
  - i. Authority for constitution of the Spot Purchase Committee.
  - ii. Description of the item
  - iii. Tabulation statement
  - iv. Brief discussion of the offers obtained.
  - v. Recommendations/Acceptance with certification on reasonability of recommended rates.
  - vi. Unusual terms & conditions and deviations, if any, accepted.
  - vii. Consignee.
  - viii. Delivery terms & delivery period.
  - ix. Paying authority and bill Passing Officer.
4. The proceedings of the purchase finalized shall not require any further approval but this will be made available for internal check/audit and the minutes of the committee shall be kept on the file.
5. All decisions in the matter of purchase will be taken by the committee and the decision taken by the committee in regard to purchase will be final. However in case of dissent by any one of the members, the case should be put up to the officer nominating the SPC in case of Division and to the concerned CMM (dealing the item) in Stores.HQ for SPC of JAG/SG level and to PCMM for SPC comprising of SAG level, for final decision.
6. Formal communication (in the form of PO) detailing the description/specification of the item, terms & conditions, inspection clause, delivery period, payment terms & paying authority etc shall be issued, duly signed by the convener of SPC for placing order on the firm.

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16/11/2018

7. Field Units i.e., Division/Workshops as well as HQRS & Construction organization shall maintain proper record of such Spot Purchase nominated by them.
8. The material purchased will be accounted for as is being done for material received against regular purchase orders.
9. The Spot Purchase Committee shall ensure that the purchase is completed within 45 days of appointment of the committee, failing which fresh approval of GM/ DRM (as the case may be should be obtained for purchase of the items through Spot Purchase).

**IV. Payments:**

1. Cash payment should be avoided, unless payment is made through cash imprest.
2. Payment to the suppliers may be made generally through cheque to be issued by Accounts officer. In case of cheque payment, the Pay order against a Proforma Invoice will be prepared by the Indenting department's representative in the Spot Purchase committee. Alternatively, payment through Sr.DFM / PFA may also be made depending upon the agreed terms & conditions.

(**Authority:** Rly. Bd's letter no. 2002/RS(G)/779/12 dated 14-12-2011 & Transformation Cell/Rly Bd Lr.no.2017/Trans/01/Policy dt.08.12.2017)

This issues with the concurrence of Finance and the approval of the General Manager.

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*16/11/2018*

( प्रसून चक्रवर्ती PRASUN CHAKRABORTY )  
उप महाप्रबंधक/सा Dy. General Manager/G

To - All Concerned