

Financial and Procurement Procedure

To be followed by the Institute Management Committees for utilization of the funds received by the IMC Society.

During formulation and operationalisation of the Scheme, the issue of the manner in which the interest free loan of Rs. 2.5 Cr. is to be spent by the IMC Societies was discussed. It was felt that some guidelines be issued in this regard.

2. Accordingly, the following guidelines/instructions are issued to the IMC Societies in respect of the procedure to be followed for utilization of funds received by them as interest free loan from the Central Govt. under the Scheme **‘Upgradation of 1396 Govt. ITIs through Public Private Partnership’**.

3. **Administrative Approval** : Except for some contingent expenses of upto Rs. 5000/- at a time, all expenditure made out of the funds of the IMC Society shall have the administrative approval of the Governing Council of the IMC Society.

4. **Financial powers of different authorities in IMC Society** : The following authorities in the IMC Society shall have financial power to incur expenditure of any nature (works, procurement of goods, services, consultancy etc.) upto the monetary limits mentioned below :

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| 1. Upto Rs. 15,000 | - | ITI Principal/Secretary, IMC Society. |
| 2. Above Rs. 15,000 and upto Rs. 10 lakh | - | Works and Procurement Committee of IMC Society. |
| 3. Above Rs. 10 lakh | - | Governing Council of the IMC Society. |

4.1 Works and Procurement Committee of the IMC Society shall consist of

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|------------------------------------|---|-------------|
| 1. Chairperson/Vice-Chairperson | - | Chairperson |
| 2. Member Secretary | - | Member |
| 3. Nominated Senior faculty member | - | Member |
| 4. One nominated Industry member | - | Member |

5. **Procurement Procedure** : The authorities mentioned in para. 4 above shall carry out works and procure goods and services according to the procedure mentioned below :

S.No.	Type and amount of Expenditure	Procurement Procedure
1.	Works (Civil/Electrical) (i) Upto Rs. 5 lakh (ii) Above Rs. 5 lakh Note : For works IMC may take assistance from State Public Works organizations or hire consultants to assist in preparing estimates, tendering, supervision of work, clearance of bills and payments. However, the rates for different items of work shall not exceed the Scheduled rates of relevant State PWD.	Limited tender enquiry : More than three tenders/quotations shall be called from # [the contractors registered with the Central Govt. Departments such as CPWD or State Government Departments such as PWD or Indian Railways or Military Engineering Services or Border Road Organization or Public Sector Undertakings set up by the Central Govt. or State Govt. to carry out civil or electrical works.] Open tenders to be called by advertising in at least one national daily having wide circulation.
2.	Goods (i) Upto Rs. 15,000/- on each occasion (ii) Above Rs. 15,000/- and upto Rs. 1 lakh on each occasion	Prudent shopping without inviting quotation or bids. A certificate of satisfaction about the quality of goods and reasonableness of their prices to be recorded by the competent authority. Prudent shopping by a Committee of 3 members chosen by the Works and Procurement Committee who will survey the market to ascertain reasonableness of rate, quality and specifications and identify the appropriate supplier. A certificate of satisfaction

	(iii) Above Rs. 1 lakh and upto Rs. 25 lakh (iv) Above Rs. 25 lakh Note : Directorate General of Supplies & Disposal (DGS&D) rate contracted goods can be procured from suppliers. The prices to be paid for such goods shall not exceed those stipulated in the rate contract and the other salient terms and conditions of purchase should be in line with those specified in the rate contract. The IMC should make its own arrangement for inspection and testing of such goods where required.	about the quality of goods and reasonableness of their prices to be recorded by the 3 member committee. Limited tender enquiry : More than three tenders/quotations shall be called from suitable manufacturers/suppliers. Open tenders to be called by advertising in at least one national daily having wide circulation. (For purchasing high value plant, machinery, etc. of a complex and technical nature, bids may be obtained in two parts, i.e., Technical bid and Financial bid)
3.	Engaging Consultants (i) Upto Rs. 25 lakh (ii) Above Rs. 25 lakh	By calling for bids from more than three potential consultants, identified on the basis of formal / informal inquiries. By seeking “Expression of Interest” from consultants by publishing in at least one national daily having wide circulation and then following a two bid – Technical and Financial bid, procedure.
4.	Outsourcing of Services (i) Upto Rs. 10 lakh (ii) Above Rs. 10 lakh	Limited tender enquiry – by inviting offers from at least six contractors/service providers. Open tenders to be called by advertising in at least one national daily having wide circulation.

6. The Cheques of the Bank Account of the IMC Society should be signed by the following authorities of the Society:

i) Cheques of amount upto Rs. 15000/- by the Member Secretary (ITI Principal) and one Industry member nominated by the Chairperson who is regularly available locally.

ii) Cheques of amount larger than Rs.15,000/- by the Member Secretary (ITI Principal) and the Chairperson of the Society.

7. In case of financial decisions taken by the Works and Procurement Committee and Governing Council, the Member Secretary (ITI Principal) will sign all the required documents.

8. Overall, the IMC Society should ensure that the funds of the Society are spent in the most efficient manner; only for the purposes mandated in the Memorandum of Association of the IMC Society; and in accordance with the Institute Development Plan.

Substituted for “State Govt. qualified contractors” vide DGE&T letter No.35(1396)/Guidelines/2007-NIC dated 22.05.2008.