

IGNOU

MINUTES OF THE TWENTY-SIXTH MEETING OF THE PURCHASE COMMITTEE HELD ON AUGUST 24TH, 2002 AT 11:00 A.M. IN THE BOARD ROOM, BLOCK – 8, IGNOU CAMPUS, MAIDAN GARHI, NEW DELHI-110068.

The following members were present:

1. Prof. H.P. Dikshit, Vice-Chancellor - Chairman
2. Prof. B.B. Khanna - Member
3. Prof. B.S. Saraswat - Member
4. Shri Vikram Chandra - Member/Member-Secretary
Finance Officer/Registrar

Shri L.N. Jhunjunwala and Prof. Kapil Kumar, Members could not attend the meeting.

Shri D.C. Pant, Pro Vice-Chancellor attended the meeting as a Special Invitee.

Shri Pankaj Khare, Deputy Director, MPDD was also present on behalf of the Head, MPDD.

Shri R. P. D. Singh, Assistant Registrar (Governance) was present to assist the Committee.

The following items were considered:

ITEM NO. 1 TO CONFIRM THE MINUTES OF THE 25TH MEETING OF THE PURCHASE COMMITTEE HELD ON JUNE 14, 2002.

PC26.1.1 The Minutes of the 25th meeting of the Purchase Committee held on June 14, 2002 were already considered and approved by the Board of Management in its 72nd Meeting held on 1st July, 2002. Hence not placed before the Purchase Committee.

ITEM NO. 2 TO CONSIDER THE PURCHASE OF PRINTING PAPER AND ART PAPER THROUGH DGS&D, UNDER RATE CONTRACT.

PC 26.2.1 At the outset Shri D.C. Pant, Pro Vice-Chancellor gave a brief genesis of the proposal. He explained that hithertofore, the university was following the procedure of open tenders, etc. for procurement of Printing Paper/Art Card as per the procedure laid down in the University's Financial Code and the GFRs of the Government of India. He further explained as to how this system, in our context did not work well, on several occasions, rendering it difficult for the university to reach the course material to the students, on time. Besides, the existing system also manifested certain features, which attracted adverse comments from audit, and questions in the Parliament, culminating in, the Ministry of the Human Resource Development appointing a Committee, to look into among others, the complaints of irregularities in purchase of paper/art card in the past, by the University.

PC 26.2.2 To overcome the above problems, it became necessary for the University to review the system and look for other more dependable alternatives. The proposal before the Purchase Committee, is to, henceforth, procure the paper/art card through the DGS&D – a Government of India Department and a nodal agency for purchases by the Government Departments and Government/Autonomous bodies.

PC 26.2.3 The Item was discussed in detail. Shri Pankaj Khare, Deputy Director, MPDD, enumerated the salient features of the proposal as detailed in the **Appendix**. He explained that the DGS&D shall be charging a nominal fee of 0.5% value of the order for services towards quality assurance by carrying out inspection.

On an enquiry as to what would be the mechanism, to ensure the paper quality, it was explained that IGNOU shall be purchasing paper on DGS&D Rate Contract directly from the mills and shall be seeking DGS&D inspection for quality assurance. As DGS&D will put their seal of inspection on each bundle of supply, IGNOU shall be assured of quality through DGS&D inspection. In case of deficiency in any quality parameters, at any stage during supply or consumption, there will be a Joint Re-inspection by IGNOU and DGS&D and if required, replacement of lot to be done by the mill at their own cost.

Apprehensions were also expressed about the timely supply of the Paper. It was explained that adequate measures already existed in the DGS&D Rate Contract to deal with the situation. In case of single Rate Contract at DGS&D rates, IGNOU has to be proactive in determining the requirement. The Committee directed that the MPDD shall finalise the requirements well ahead of time for paper/art card.

PC 26.2.4 With the above, the Committee resolved to approve the purchase of papers/art papers through the DGS&D at their rate contract alongwith the inspection.

The Committee further resolved that paper/art card consumed at IGNOU's Regional Centres shall also be purchased through DGS&D Rate contracts and all the terms & conditions shall remain same as of Headquarters.

The meeting ended with a vote of thanks to the Chair.

Registrar – Member Secretary

APPENDIX
(To Resolution No.PC 16.2.3)

Salient features of the Proposal of Procurement of Paper and Art Card through DGS&D Rate Contract

- (i) DGS&D is a Central Purchase and Quality Assurance Organisation of Government of India. It is a nodal agency of Government of India for purchase policy and procedures.
- (ii) DGS&D offer rate contract is considered most favourable if:-
 - Demand is repetitive.
 - Generally required by more than one department.
 - Estimated annual off-take is more than Rs.25 Lakhs.
 - Specification is standardized.
- (iii) The rate contract implies:
 - An agreement between DGS&D and the supplier for supply of goods at mutually agreed prices, terms and specifications, valid for a specific time period.
 - Generally has no quantity limitation.
 - Rate contract prices most favourable within the country. In case, rate contract holder sells or offers to sell at price lower than rate contract price, Fall Clause becomes operative thus benefiting the buyers.

The Proposal would involve following stages of activities :-

- (i) DGS&D shall finalise the rate contract with various mills who produces paper and art card after inviting bids from them and finalise after evaluation.
- (ii) IGNOU shall invite Rate Contract from DGS&D for paper and Art Card as per IGNOU's specifications.
- (iii) IGNOU shall invite samples of papers and art card, delivery schedule of the quantum to be procured by IGNOU, freight charges, transit insurance, etc. from Mill/s to IGNOU godown as these are not included in the RCs and seeking their consent to supply the material as per IGNOU's terms and conditions in addition to RC terms and conditions.

- (iv) IGNOU shall prepare a comparative chart of offers made by RC holders for consideration and recommendations made by the Technical Advisory and Paper Purchase Committee and the competent authority.
- (v) Placement of order for supply to the selected mill/s.
- (vi) Before receiving the goods in IGNOU godowns, inspection will be done by DGS&D and only after ascertaining the quality of the manufactured goods, the inspection clearance shall be issued by the DGS&D to the mill for commencing supply to IGNOU.

Benefits that may accrue from procurement through DGS&D Rate Contract are:

Time Factor:

- (i) Purchases can be made as and when required.
- (ii) Effort and time involved in tedious and frequent tendering.
- (iii) Timely availability of supplies for inventory management.
- (iv) Access to databases and expertise.

Financial Implications:

- (i) Facility of bulk rate at lowest competitive price.
- (ii) Availability of quality goods with full quality assurance back-up.
- (iii) The DGS&D will charge 0.5% of the total cost of the order for providing various facilities of post RC activities like inspect of the stores ensuring the quality of the goods. The amount goes to a Government of India Department.
- (iv) IGNOU can ask the supplier to deposit 10% of the value of the order as Security Deposit. This can be submitted in the shape of a Bank Guarantee.
- (v) IGNOU shall be paying 95% of the cost of the ordered supply within 15 working days after receipt of goods and remaining 5% will be paid after 90 to 180 days of the completion of the total supply spread over different lots.
- (vi) The University can put their terms and conditions on the supplier thereby protecting the interest of the University.

