

Preface

This manual lays down standard procedures for procurement of materials and services for carrying out ISRA (IU, IUH, IIF)'s operations. The procedures provided in the Manual enables ISRA (IU, IUH, IIF) to procure the best quality material and services at most economical cost in a transparent manner and allow ISRA (IU, IUH, IIF) to utilize its resources in the best possible manner. The procedures also provide guidelines to be followed and the controls to be exercised by the authorities engaged in the overall procurement of materials and services.

Procurement Policy

1. Policy:

ISRA (IU, IUH, IIF) has a Centralized Policy for procurement of goods whereby only Procurement Department should handle all procurement of goods and services as per procedure outlined under this Manual.

2. Responsibility of Purchasing:

Purchasing of goods shall be the functional responsibility of the Purchase Department. The Department shall make purchases at the most economical cost to ISRA (IU, IUH, IIF) taking into consideration quality, price, delivery and service. The Procurement Department shall be charged with the following responsibilities:

- 2.1 Receiving authorized requisitions for purchase of goods;
- 2.2 Establishing source of supply;
- 2.3 Obtaining and analyzing quotations;
- 2.4 Obtaining necessary approvals from the Concerned Authorities;
- 2.5 Negotiating price for issuance of Purchase Orders (PO);
- 2.6 Inspection of work in-progress, departmentally or through the relevant department;
- 2.7 Follow up and ensuring delivery/performance by the suppliers;
- 2.8 Arranging transport, insurance (through Finance Department) etc.
- 2.9 Liaising payment to suppliers / service providers through the Finance Department.

3. Procurement Committee:

- 3.1 A Procurement Committee will be constituted from various relevant department representatives by the Vice Chancellor for a period of two years.
- 3.2 The functions and responsibility of the Procurement Committee will be as follows:
 - 3.2.1. The Committee shall meet at least four times in a year.
 - 3.2.2. Approval of suppliers / pre-qualifications of suppliers to be registered/de-registered on a yearly basis as per Criteria of the Procurement Department with ISRA (IIF, IU, IUH).
 - 3.2.3. Approval of bidders for purchases of scrap and disposal of assets.
 - 3.2.4. Attendance at opening of bids / quotations for purchases as per policy limits defined in this document.
 - 3.2.5. Review of the Manual and recommend any changes to the Head of Purchase of ISRA (IIF, IU, and IUH).
 - 3.2.6. The Procurement Committee may invite any Related Department's officer of ISRA (IIF, IU and IUH) to attend a meeting through email, Phone or Letter; if required to facilitate decision making.
 - 3.2.7. Approve as per limits defined in this document and review exceptions of competitive bidding in specific instances.
 - 3.2.8. The Procurement Committee will provide guidelines to the Purchase Department in terms of interpretation and execution of the Procurement Policy.
 - 3.2.9. Three members shall form the quorum for a meeting of the Procurement Committee. The decision should preferably be taken with consensus. In case of a dissent, the matter shall be

so recorded and referred to the Head of Purchase.

4. List of Suppliers:

The suppliers selected for issuance of direct enquiry shall be taken from an approved / registered list of Suppliers, prequalified under the guidelines given in this Manual

- 4.1 The Procurement Department shall maintain a list of approved suppliers for different categories of goods / material which should indicate the category of supplier i.e. manufacturer, distributor, local agent etc. and category of material. A suggested list of broad categories of goods / materials is as follows:
 - 4.1.1 Printing Jobs i.e. printing of books, standards, examination copies etc.
 - 4.1.2 IT Equipment
 - 4.1.3 Electrical / Electronic Equipment (Fixing material of electrical, Electric Cable, Fancy fitting, AC Material, Fans)
 - 4.1.4 Office Equipment including Safety & Fire Fighting Equipment
 - 4.1.5 Hospital Equipment
 - 4.1.6 Medicine
 - 4.1.7 Domestic Appliances
 - 4.1.8 Furniture
 - 4.1.9 Hardware / Tools
 - 4.1.10 Fuel / Lubricants
 - 4.1.11 Stationery
 - 4.1.12 Construction Material (Paint Material, Cement, Iron material, wood material, Finishing material, Plumbing material, Polish).
 - 4.1.13 Food/Café Material.
 - 4.1.14 Uniform/Clothing Material.

This list is not exhaustive and could be further expanded, if required.

- 4.2 A minimum of 3 suppliers should be approved in each category. The existing suppliers / manufacturers with history of satisfactory dealing with ISRA (IU, IUH, IIF) shall be stand prequalified by the Procurement Committee.
- 4.3 Procurement Committee shall be responsible for approving the pre-qualification of the suppliers. The decision of the Procurement Committee shall be based on the following criteria for selection:
 - 4.3.1. Financial soundness.
 - 4.3.2. Technical capability.
 - 4.3.3. Reputation as regards reliability, quality, delivery and service, etc.
 - 4.3.4. Past experience
 - 4.3.5. Registration with Sales Tax / Income Tax/ SST (Sindh Service Tax).
 - 4.3.6. Stock availability.
 - 4.3.7. Material return Policy (According to situation). Questionnaire for evaluation of suppliers is given in Annexure I.
- 4.4 At the end of every year, fresh list of approved suppliers shall be prepared by the Procurement Department. However, suppliers on the current list, who have performed satisfactorily, shall continue on the revised list. The following guidelines are to be used for this purpose:
 - 4.4.1. Mid-term pre-qualification of suitably competent suppliers is permitted. Moreover, if for some reason, the number of suppliers for any type or category of material is felt inadequate, Procurement Department may invite fresh applications for additional enrollment.
 - 4.4.2. Any breach of contract terms, bad performance, malpractice, dishonesty etc., shall make a supplier, his firm and any other firm in which he has interest as a partner or major shareholder, ineligible for any future work with ISRA (IIF, IU and IUH).
 - 4.4.3. The ineligibility may be permanent or for a temporary period, as may be decided by the Procurement Committee, depending upon the severity of the offence.
 - 4.4.4. Uninterested suppliers, who fail to quote or perform, may also be struck off the list with the

approval of Procurement Committee.

- 4.4.5. A permanent list of black-listed suppliers, as approved by the Procurement Committee, shall be maintained by the Procurement Department.

5. Procurement Procedure:

All documentation relating to purchases shall be carried out through the purchase module in the ERP. The purchasing process shall include the following:

5.1 Raising of Material Requisition:

The Purchase shall be initiated by the user department through a Material Requisition.

- 5.1.1. For general Items where inventory/stock is maintained, all the Departments may initiate the purchase when replenishment is required by providing detailed specifications.
- 5.1.2. In cases, where it is not known specifically which material and product is required, the request be initiated with a general request for material requisition. This will mention the general product or material requirements, which the Purchase Department will return with specifications of material required, forming the Material Requisition.
- 5.1.3. The Material Requisition will be signed by the financial authority or as per delegation of responsibility assigned by the financial authority to their subordinate staff.
- 5.1.4. If the stock is available, it will be issued against Material Requisition within two working days.

5.2 Request for Quotations

In cases where stock is not available, request for quotation will be initiated by the Procurement Department. All quotation should include information as per Annexure II. The criteria for quotations and its limits shall be as follows:

Local Purchase:

Amount (Rs.)	Requirement of Quotation
Upto Rs.1,000,000/-	Minimum of three written bids on approved suppliers' letterhead
Rs.1,000,001 to Rs.3,000,000/-	Minimum of three written bids on suppliers' letterheads to be opened in the presence of three members of the Procurement Committee including the concerned Head of Department, pre-qualified in that category.
Above Rs.3,000,000/-	Minimum of three written bids on suppliers' letterheads to be opened in the presence of the Procurement Committee including the concerned Head of Department, pre-qualified in that category.

Foreign Purchase:

Quotations for foreign purchase through L/C will be discussed with the concerned department and supplier based on technical specifications of the product. The criteria for quotations and its limits shall be as follows:

Amount (US\$.)	Requirement of Quotation
Upto US\$.10,000/-	Wherever possible, minimum of three Proforma Invoices / Quotations.
US\$ 10,001 to US\$.30,000/-	Wherever possible, minimum of three Proforma Invoices / Quotations to be opened in the presence of three

	members of the Procurement Committee including the concerned Head of Department.
Above US\$.30,000/-	Wherever possible, minimum of three Proforma Invoices / Quotations to be opened in the presence of Procurement Committee including the concerned Head of Department.

5.3 Submission of Bids:

5.3.1. Procurement Department shall notify approved suppliers of the relevant category, requesting them to quote for the contemplated requirement. The notice shall be sent through the following communication methods:

- 5.3.1.1. Delivered by hand with writtem acknowledgement.
- 5.3.1.2. Registered AD Mail.
- 5.3.1.3. Reputable courier service.
- 5.3.1.4. Email.
- 5.3.1.5. Through ERP System for software.

5.3.2. Depending on the nature and urgency of the work, the Procurement Department shall allow the suppliers reasonable time for submission of quotations / bids to generate competition with the last date clearly defined.

5.3.3. Extension in the last date of receiving bids / quotations can be made in the following cases:

- 5.3.3.1. Where material changes have been made in the specification, terms and conditions of the bid.
- 5.3.3.2. Where any of the established suppliers on approved list has requested for extension as a special case, provided ISRA (IU, IUH, IIF)'s work schedule is not likely to suffer
- 5.3.3.3. Where at least three bids have not been received and it is considered that more bids could be received by allowing an extension in time.
- 5.3.3.4. The extension in last date should be notified to all the suppliers.

5.3.4. All suppliers shall be required to submit their quotation on the Proforma given in Annexure-II.

5.3.5. Where the approved contractors of a particular category fail to respond to any invitation to bid, the Procurement Committee shall be authorized to decide the next course of action.

5.3.6. Notwithstanding the foregoing, the requirements of competitive bidding may be waived in the following special situations:

- 5.3.6.1. There is an urgent need of the required material non availability of which may significantly affect the day to day functions of the department and is recommended by the concerned Department Head.
- 5.3.6.2. The list of exceptions with the reasons will be compiled in a Register and presented to Purchase Committee for review in the Quarterly Meeting.
- 5.3.6.3. The exceptions shall be authorized as per the following limits:

Amount (Rs.)	Exception Approved By
Upto Rs.1,000,000/-	Manager Purchase & Head of Purchase
Above Rs.1,000,000/-	Procurement Committee

5.4 Bid Evaluation & Selection of Supplier:

5.4.1. The bids for procurement of routine nature shall be evaluated by Procurement Department and a cost comparative statement shall be prepared as per Annexure III.

- 5.4.2. The technical bids shall be evaluated by the concerned department(s) having expertise in this regard. The evaluation will be made as per predefined criteria approved by the Manager Purchase & Head of Purchase. Financial bids shall be opened after the process of technical evaluation has been completed. The reason for technical rejection of a bid shall be clearly stated in the bid evaluation document.
- 5.4.3. Bids received may also be compared and cross checked (on test basis) by conducting market surveys, telephone and personal enquiries, cost studies etc.
- 5.4.4. Wherever a bid/quotation other than lowest is accepted, the reason for such action shall be recorded by the Procurement Department and approved by the Procurement Committee based on the approval limits defined in this document.
- 5.4.5. Where all bids are considered to be on the higher side, the Procurement Committee may reject all the bids and invite new bids from the same bidders or from an expanded list of suppliers, if necessary.
- 5.4.6. It is the responsibility of Head of Purchase Department / Procurement Committee to purchase quality material at most economical cost and in time. Therefore, the Procurement Department may further negotiate the prices with the selected bidder.

5.5 Purchase Approval (PA)

In cases where stock is not available, purchase will be initiated by the Procurement Department through Purchase Approval Form. The Purchase Approval process will comprise of the following:

- 5.5.1. Separate Purchase Approvals will be initiated for each supplier based on the most competitive quote.
- 5.5.2. It will be signed by the Purchase Manager, Head of Purchase, concerned Head of Department (Financial Authority) and the Director Finance.
- 5.5.3. The Purchase Approval maybe revised by the financial authority due to any specific reason such as availability, urgency or change in technical specifications as their requirement. Purchase Approval format is available under Annexure IV.

5.6 Purchase Order (PO)

- 5.6.1. Purchase Order will be initiated by the Procurement Department after the Purchase Approval has been signed and approved.
- 5.6.2. It will be signed by the Purchase Manager and the Head of Purchase.
- 5.6.3. The Purchase Order must mention the description, price, quantity and value of the order as per Annexure V.
- 5.6.4. The Purchase Order must be revised with changes in the Purchase Approval if there is any financial impact. Otherwise, the terms of PO can be amended by the authorized Purchase Order signing authority.
- 5.6.5. A copy of the revised Purchase Order duly signed by the vendor shall be retained by the Procurement Department and filed with the original Purchase Order (PO).

5.7 Material Receipt and Issuance

- 5.7.1 Material will be received in the Store Department according to the terms of the quotation / bids. Partial delivery of goods may be accepted if so stated in the Purchase Order or quotation of supplier.
- 5.7.2 Inspection as regards the quality of the goods received shall be the responsibility of the Procurement Department and the user department.
- 5.7.3 Suppliers' delivery challan shall be signed by the Inventory Receiving (Store) Department.
- 5.7.4 Goods Receipt Note shall be prepared and signed by the Store Department and shall be counter signed by the person who raised the purchase requisition, Manager Purchase / Head of Purchase.
- 5.7.5 Goods Receipt Note shall be prepared and signed by the Store Department and shall be counter signed by Manager Purchase & Head of Purchase.
- 5.7.6 Shortages / rejections shall be handled by the Procurement Department.
- 5.7.7 Material will be issued to the concerned department once material has been received.

5.8 Timeline for Evaluation of Procurement Department:

The time taken by the Purchase Department in different processes of the procurement cycle should be monitored as follows:

General Requirement:

Description	Request for MR to MR Generation	MR to Stock Issuance
From initiation of General Request	Timeframe with the agreement of the concerned department	2 Working Days

Requirement where Stock is Not Available:

Description	MR to Purchase Approval	Purchase Approval to PO
For Purchases upto Rs.100,000/-	5 Working Days	2 Working Days
For Purchases up to Rs. 500,000/-	8 Working Days	2 Working Days
For Purchases up to Rs. 1,000,000/-	12 Working Days	2 Working Days
For Purchases up to Rs. 3,000,000/-	15 Working Days	2 Working Days
For Purchases up to Rs. 5,000,000/-	20 Working Days	2 Working Days
For Purchases above Rs.5,000,000/-	25 Working Days	2 Working Days

5.9 Advance Payments:

- 5.9.1 Advance payments may be allowed in cases where terms of Quotations require and is recommended by the Purchase Manager to the Head of Purchase and approved by the Director Finance & Accounts.
- 5.9.2 Procurement Department & Procurement Committee shall decide to hold retention money up to 10% of the amount of payment in cases of contracts requiring performance guarantee. The period of retention shall be determined on case to case basis, depending upon the requirement in each case.

6 Payments:

The Finance Department shall be responsible for making the payments after receiving the required invoices, material issuances from the Procurement Department. The responsibilities include:

- 6.1 Match the supplier's invoice with the duly authorized GRN and copy of the Purchase Order.
- 6.2 Adjust any advance or partial payment made earlier.
- 6.3 Ensure that payments are made strictly in accordance with the payment terms specified in the Purchase Order.

7 Disposal of Assets:

- 7.1 The Procurement Committee will oversee the disposal of assets in its quarterly meetings.
- 7.2 The classification of disposal of assets will be as follows:
 - 7.2.1 Capital Items
 - Invite prequalified bidders of Purchasers and take offers from them on the form (Annexure-V).
 - Make comparative report of offers.
 - The best offer should be selected by the Procurement Committee.
 - 7.2.2 Damaged Items
 - Invite prequalified bidders of Purchasers and take offers from them on the form (Annexure-V).
 - Make comparative report of offers.
 - The best offer should be selected by the Procurement Committee.
 - 7.2.3 Scrap Items
 - Invite prequalified bidders of Purchasers and take offers from them on the form (Annexure-V).
 - Make comparative report of offers.
 - The best offer should be selected by the Procurement Committee.
 - 7.2.4 Expired Items
 - Expired items pertain mainly to the Hospital and Isra Café. They should be disposed and written off after getting approval from the concerned Pro Vice Chancellor.
- 7.3 Asset Disposal Form(s) will be filled by the concerned department requesting disposal of assets with the approval from the Financial Authority.
- 7.3 The Purchase Department will prepare a list of assets for disposal.
- 7.4 The Purchase Department will prepare and present a list of prequalified bidders for purchase of disposal of assets and scrap material to the Procurement Committee for their approval.
- 7.5 All bids for purchase of disposal of assets will be opened in the presence of the Procurement Committee.
- 7.6 Notwithstanding the foregoing, the requirements of sale of disposal of assets or scrap material may be waived in the following special situations:
 - 7.6.1. There is an urgent need to dispose of the goods due to shelf life or damage to the goods if sale is delayed or storage of store space for holding stocks.
 - 7.6.2. The list of exceptions with the reasons will be compiled in a Register and presented to Purchase Committee for review in the Quarterly Meeting.
 - 7.6.3. The exceptions shall be authorized as per the following limits:

Amount (Rs.)	Exception Approved By
Upto Rs.200,000/- of the original acquired value of product	Manager Purchase & Head of Purchase

8 Revision to the Procurement Policy / Manual

Revisions to the procurement policy / manual should be reviewed and approved by the Purchase Committee.

ANNEXURE -I

QUESTIONNAIRE FOR PRE-QUALIFICATION OF SUPPLIERS

S. No.	QUESTIONS	ANSWERS
1	Registered Name of the Company	
2	Official Address / Tel No. / Fax No./ E-Mail Address	
3	Name of Proprietor / owner	
4	N.I.C. No.	
5	Address of branch offices in Pakistan (if any) with Tel No. /Fax: No. /E-mail Address.	
6	Name, Designation and qualifications of the person(s) authorized to represent the firm in the contractual matters.	
7	Financial status of the Company with supporting documents.	
8	Name & Address of Bankers	
9	Company profile	
10	Details in respect of permanently employed manpower of the Company.	
11	Major list of equipment/material dealt by the Company	
12	List of major material /equipment with value, supplied during first five years to organizations in Pakistan.	
13	Clientele with name of organization & Address with Tel No. /Fax No. /E-mail Address	
14	Name & Address/Fax No./E-mailAddress of foreign associates, if any	
15	Type of Organization <div style="display: flex; justify-content: space-between;"> <div> <input type="radio"/> Manufacturing <input type="radio"/> Stockiest <input type="radio"/> Indenting House </div> <div> <input type="radio"/> Trading House <input type="radio"/> Retailer <input type="radio"/> General Order Supplier </div> </div>	
16	Quality Control <div style="display: flex; justify-content: space-between;"> <div> <input type="radio"/> AP <input type="radio"/> ISO </div> <div> <input type="radio"/> ASME <input type="radio"/> Others </div> </div>	
17	Documents to be attached API Certification ISO Certification	
18	Whether registered under sales tax act ,1990, if yes, attach sales tax registration certificate	
19	NTN Number (Please attach Copy)	

Note:

1. Above information is not all encompassing. ISRA (IU, IUH, IIF) reserves the right to call for or obtain additional information, if required.
2. The above information for S. No. Marked with 'X' to be provided where relevant to the applicant.
3. The information at S. No. Marked with '#' is applicable to all local applicants.
4. Vendor's Signature and Stamp required.

ANNEXURE -II

Request for Quotation

<u>Vendor Address</u> M/s			<u>Information</u> Date of Inquiries Quote Due Date		
S.No	Item Description	Unit of measurement	Unit Price	Qty	Total Price

ANNEXURE —III

Cost Comparative Statement

S. No.	Item Description	Unit	Qty	Supplier 1		Supplier 2		Supplier 3	
				Unit Price	Value	Unit Price	Value	Unit Price	Value
1									
2									
3									
4									
5									
6									
7									
8									
9									
	Total Amount (Quoted) RS.								

NOTE:

Prepared by

Name: _____

Designation: _____

Department: _____

Signature: _____

Approved by:

Prepared by: _____

Manager Purchase: _____

Head of Purchase: _____

ANNEXURE IV

Isra Hospital
Hala Road, Hyderabad, Pakistan

Purchase Approval

PO No: PO-201900034954 **Supplier:** E & E Enterprise
Approved By: Prof. Dr. Mumtaz Ali **Created On:** 09 January 2019
MR No: MR-201900040499
Description: Dental Consumable Material

Sr	Product Name	Cur. Usage	Pkg	Rq. Qty	In Stock	Total (Aft. Purch)	Rate	Amount
1	Relyx Fiber Post Refill Pack (2x05 Post) - 3M ESPE (France)	--	Pack t	1	0	1	14,400.000	14,400.000
2	Vitremer - 3M ESPE (Germany)	--	Pack t	1	0	1	9,200.000	9,200.000

* The "Cur Usage" quantity of the product is less than "Total Aft. Purch".

Total Amount: 23,600.000

Prepared By

Checked by I/C Purchase Deptt:

Head of Purchase

Approved By HoD

Director Finance

Friday, February 7, 2020

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Isra Hospital
Hala Road, Hyderabad, Pakistan

Purchase Order

PO No: PO-201900034954 **Supplier:** E & E Enterprise
Created On: 09 January 2019

Sr	Product Name	Packing	Quantity	Rate	Amount
1	Relyx Fiber Post Refill Pack (2x05 Post) - 3M ESPE (France)	Packet	1	Rs. 14,400.0	Rs. 14,400.0
2	Vitremer - 3M ESPE (Germany)	Packet	1	Rs. 9,200.0	Rs. 9,200.0

Total Amount: Rs. 23,600.0

Remarks:

Prepared By

Checked by I/C Purchase Deptt

Head of Purchase

Friday, February 7, 20

User: Shoukat Ali Qazi

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