



# IIT PALAKKAD TECHNOLOGY IHUB FOUNDATION

(Incorporated under Section 8 of the Companies Act 2013)

## **PROCUREMENT POLICY**

### **1. Introduction**

IIT Palakkad has established IIT Palakkad Technology IHub Foundation (IPTIF), a Section-8 company, to facilitate the Technology Innovation Hub on Intelligent Collaborative Systems (TIH-ICS) setup at IIT Palakkad by NM-ICPS coordinated by the DST, Govt. of India. TIH-ICS, through IPTIF, plans to attract potential and harness expertise available nationwide, thus fostering research innovation, world class technology and product development. IPTIF also plans to build linkages with research institutes and labs within and outside India. One of the primary goals of this company is to work in close collaboration with industry to deliver commercial technology and products, and build a vibrant innovation ecosystem by providing a reliable platform for technology-based start-ups and entrepreneurs.

### **2. Reason / Purpose for Policy**

Considerable authority has been delegated to the company to make purchasing decisions. This requires that employees involved at every step of the purchasing process take full responsibility for understanding the Company's policies and procedures regarding purchasing and vendor relations. Purchasing decisions are business decisions made on behalf of the IIT Palakkad Technology IHub Foundation and therefore would be made with the utmost consideration for what is in the best interest of the company. Purchases also need to be made in the most efficient and cost effective manner.

This policy is a framework designed to provide for procurement of high standard goods, services, technology, processes at reasonably competitive cost, terms and conditions. Timely availability of material to projects is of prime importance for carrying out meaningful scientific research as well as for meeting targets set for completion of various in-house & sponsored projects.

### **3. Principles of Procurement**

Procedures for procurement of Goods, services and processes by IIT Palakkad Technology IHub Foundation would follow the principles of Accountability, Reasonableness and Transparency. The principles of procurement would be adhere to all times to the following:

- a) *Standards of Financial Propriety*: Every authority incurring or authorizing expenditure would be guided by high standards of financial propriety. They would also enforce

financial order and a strict economy and see that all relevant financial rules and regulations are observed, by their own office and by subordinate disbursing authorities. They should exercise the same vigilance in respect of expenditure incurred as a person of ordinary prudence would exercise in respect of expenditure of his/ her own money. The expenditure should not be prima facie more than the occasion demands and should neither be directly or indirectly to his/her own advantage nor benefit a particular person or a section of the people.

- b) *Responsibility of Financial Authorities*: The authorities delegated with the financial powers shall be responsible and accountable for bringing in efficiency, economy, and transparency in all matters relating to procurement.

#### 4. Procurement Process

Procurements are enabled via indents and expense approval forms (refer Annexure A for the format). The details are as follows:

1. For an individual type of item costing less than Rs. 25,000/- (one or multiple units), then one quotation/price is sufficient. An indent is allowed to have multiple such item types.
2. For an individual type of item costing more than Rs. 25,000/- but less than Rs. 2,50,000/- (one or multiple units), then at least 2 quotations are needed.
3. For an individual type of item costing more than Rs. 2,50,000/- , then at least 3 quotations are needed.
4. A procurement-related indent / expense approval form can have one or more item types in the above cost range.
5. If it is not possible to obtain the requisite number of quotations, approval may still be given on a case-by-case basis. The approving authority for such cases are as follows:
  - a) For individual types of items costing more than Rs. 25,000/- but less than Rs. 2,50,000/- (one or multiple units): *CEO and an authorized Director of IPTIF.*
  - b) For individual types of items costing more than Rs. 2,50,000/- : *CEO and two authorized Directors of IPTIF.*
6. The approving authority for each procurement-related indent / expense approval forms are as follows:
  - a) For total amount less than Rs. 2,50,000/-: *CEO of IPTIF*
  - b) For a total amount more than Rs. 2,50,000/- but less than Rs. 25,00,000/-: *CEO and one authorized Director of IPTIF.*
  - c) For Total amount more than Rs. 25,00,000/-: *CEO and two authorized Directors of IPTIF.*

## 5. Implementation of Principles of Procurement

In order to implement the Principles of procurement, following procedures would be used:

- a) The procedures adopted for inviting offers should be fair and transparent.
- b) The Authorities shall satisfy themselves that the price of the selected offer is reasonable and consistent with the quality required.
- c) All Purchases shall be made in a fair manner and as far as possible on a competitive basis, to secure best value for money.
- d) Specifications in terms of quality, type etc., as also quantity of goods to be procured, should be clearly spelt out keeping in view the specific needs of the company. The specifications so worked out should meet the basic needs of the organization without including superfluous and non-essential features to preclude unwarranted expenditure.
- e) At each stage of procurement, detailed considerations/ decisions shall be placed on record, in precise manner.

## 6. Items of Procurement

The items required to be procured under the ambit of the rules & procedures outlined in this policy shall mean and include goods, services and processes as below (inclusive and not exhaustive):

- a) *IT (Information Technology) related products:* IT products or services, would include computer hardware, software, electronics, semiconductors, internet/ telecom equipment, etc Technology in the field of information is fast changing and obsolescence is very fast, hence expeditious procurement may be necessitated in such types of procurements.
- b) *Procurement of Innovation:* The company can procure innovation by seeking and encouraging innovative ideas and plans relating to the objectives of the company. Procurement of innovation shall also include the process of innovation – research and development services - which create or develop ideas, processes which do not exist. These processes after development shall result in solutions. The company may describe its needs, prompting potential researchers to develop innovative products, services, or processes to meet the company's needs. The company may act as an early adopter or a facilitator of a startup or an entity and procure any product, process or service either within its sphere of activity or in a related sphere of activity. Such product, process or service may be new to the market or still not yet reached the market and contain substantially novel or innovative characteristics. The idea is to buy innovative new and early stage goods, services or processes. While procuring innovation the company shall ensure that process/service suppliers play a more proactive role in development and delivery. Procurement of innovation can result in gain-sharing and exclusive rights agreements.

- c) Articles, material, commodities, general furniture/ laboratory furniture, fixtures, raw material, spares, instruments, machinery, equipment, stationery, and any other item meant for Research & Development both standard and non-standard.
- d) Annual Maintenance Contracts of goods and equipment purchased or otherwise acquired for the use of the company.
- e) Procurement of Services. Specific Scientific & Technical Services viz, Professional consultant services, Computer & Network management, Software & web design Development services, Communication facilities etc.

## 7. Budget Provision

Procurement of material shall be based on Budget Provision and prioritization based on the company's needs and priorities. In order to meet emergency requirements and purchases within the powers delegated, a certain amount in the budget may be kept as reserve. Such purchases should be made from within this reserve. Unspent balances under this head may be re-appropriated for regular procurement.

## 8. Modes of Procurement

The company may adopt any of the following modes of procurement (limits as laid down in the supplementary document):

- 1) **Direct Procurement without Quotation:** Direct procurement of goods without formal quotations is normally done for the smallest value procurements. This is also called petty purchase. It should be used for off-the-shelf goods of simple and standard specifications. The procedure is the simplest and quickest but may suitable only in very low value, urgent and simple requirements in the following situations:
  - i) Total amount of such procurements shall not exceed Rs. 25,000/- (Rupees Twenty-Five thousand) for each case;
  - ii) The requirement is urgent but was not covered in the procurement plan; and
  - iii) The requirement is for off-the-shelf goods of simple and standard specifications. Examples of procurement are day-to-day needs of the office and field units, and so on. (Rule 154 of GFR 2017)

### Process to follow

- Step 1: Prepare expense approval form
- Step 2: Request is forward to the accounts department for fund check
- Step 3: Request is forward to the competent authority for approval
- Step 4: Receive goods / service and check for defects & damages
- Step 5: Process invoice / bill. If bill is not available declaration is needed

- *Step 6:* Financial settlement as reimbursement to the indenter or direct payment to vendor
- 2) **Single source quotation:** A quotation invitation to one firm only without a PAC certificate is called a single source quotation. Since such quotations may strain the transparency principle, it should be resorted to only under following conditions:
  - i) In a case of an existing or prospective emergency relating to operational or technical requirements to be certified by the indenter, the required goods are necessarily to be purchased from a particular source subject to the reason for such decision being recorded and approval of the competent authority obtained.
  - ii) For standardization of machinery or components or spare parts to be compatible with the existing sets of machinery/equipment (on the advice of a competent technical expert and approved by the competent authority), the required goods are to be purchased only from a selected firm.

### **Process to follow**

- *Step 1:* Identify the item to be purchased
  - *Step 2:* Collect quotations from prospective vendor
  - *Step 3:* Collect authorization letter from vendor
  - *Step 4:* Raise a procurement indent
  - *Step 5:* Request is forward to the accounts department for fund check
  - *Step 6:* Request is forward to the competent authority for approval
  - *Step 7:* Receive goods / service and check for defects & damages
  - *Step 8:* Financial settlement as payment to the vendor
- 3) **Rate contract:** The company shall maintain rate contracts for goods and services of standard types, which are identified as items of common use and are needed on a recurring basis . The rate contract shall be concluded through open quotation as may be applicable on the basis of estimated cost of procurement based on the estimated consumption.
- 4) **Spot purchase:** The purchase of the immediate required items or necessary items shall be purchased using this mode. Purchase of low value goods on each occasion may be made without inviting quotations or bids. Unforeseen purchases required to be made at short notice in the event of a breakdown or crisis. Such purchase may be regarded to be a crisis purchase of minimum escapable value with justified expediency in the procurement process.

## **Process to follow**

- *Step 1:* Identify the item to be purchased
- *Step 2:* Raise an expense approval form
- *Step 3:* Request is forward to the accounts department for fund check
- *Step 4:* Request is forward to the competent authority for approval
- *Step 5:* Receive goods / service and check for defects & damages
- *Step 6:* If payment mode is:
  - **Direct Payment to vendor;** submit expense settlement form
  - **Reimbursement to indenter;** submit reimbursement form

## **9. Vendor Registration**

The purchase of the medium and high value items shall be purchased through a registered vendor. As a part of this process, vendors are required to share information / documents related to their company. However, if the procurement amount is less than Rs. 25,000/-, it is sufficient for the vendor to submit a copy of its GST & company incorporation certificate.

## **10. Terms and conditions of purchase**

- a) **Delivery period:** The supply shall be completed within \_\_ **working days** from the date of the Purchase Order.
- b) **Consignee of Documents:** Documents pertaining to the item are required to be addressed and sent to The Director or CEO, IIT Palakkad Technology IHUB Foundation.
- c) **Single point of Contact**  
**Name:**  
**Contact number and Email ID:**
- d) **Mode of Delivery:** The Consignment is required to be delivered at the Company/ Institute under the contractors own agreement on DOOR DELIVERY basis at suppliers own cost. All offers of delivery should be made ex-stock delivery is not possible. This risk of damage or loss in transit, if any, will be the suppliers. The loading/unloading charges, if any, shall be borne by the supplier.
- e) **Conformity / Quality of Stores:** The goods will be inspected upon delivery. The supplied goods should be exactly according to the specification given in the purchase order/your quotation. Any article found defective or deviating from the specifications will not be accepted. The goods supplied should be of the best/standard/original items. The company/institute reserves the right to reject such findings as defective or deviating from the specifications.



- f) **Rejection notice:** If any goods are rejected, notice of such rejection will be given to the Supplier. Upon receipt of such intimation rejected goods must be replaced by goods ones at Suppliers cost.
- g) **Downtime Penalty Clause:** The supplier should provide an up-time guarantee of 95% (24 hrs/day basis) both during warranty. If downtime exceeds the 5% limit, extension of warranty period will be twice the excess down time period.
- h) **Price Variation:** No increase in quoted price for any reason shall be entertained.
- i) **Duties and taxes:** The price indicated in this PO is inclusive of all duties and taxes. No other duties or taxes are payable by IIT Palakkad Technology IHUB Foundation.
- j) **Payment Terms:** The preferred mode is 100% after delivery and receipt of satisfactory report from the end user. However, advance payment may be facilitated on a case-by-case basis. For advance payment, receipt of payment must be submitted within one day on company letterhead.
- k) **Liquidated Damages:** If a firm accepts an order and fails to execute the order, in full or part, as per terms and conditions, stipulated therein, it will be open to the Institute/Company to recover liquidated damages from the firm at the rate of 1% of the value of the undelivered goods per month on part thereof, subject to a maximum 5% of the value of the undelivered goods. It will also be open to the Institute/Company alternatively, to arrange procurement of the required stores from any source, at the risk and expense of the firm, accepted and failed to execute the order according to stipulates agreed upon. This will also entail removal of the defaulters name from the approved/registered list of contractors.
- l) **Packing:** The item shall be well packed meeting the standard safety norms in such a way that it reaches the Company without any damage or loss.
- m) **Consumables:** All accessories and / or consumables which are part and parcel of the product are to be supplied without any additional charges.
- n) **Legal Jurisdiction:** Any dispute between parties is subject to the jurisdiction of Honorable courts of Palakkad.
- o) **Amendment:** Any administrative amendment made later will be treated as part of the original purchase order.
- p) **Vendor registration:** This purchase order is contingent upon successful vendor registration.
  - a. If your registration is pending, please register yourself using the link <https://forms.gle/G1fNV1qPGJBKezNL7>.
  - b. If your registration is pending, please submit your GST certificate and company incorporation certificate when acknowledging this purchase order.



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- q) **No interest:** No interest is leviable on IIT Palakkad Technology IHub Foundation for any unforeseen delay in making payment while IIT Palakkad Technology IHub Foundation will endeavour to settle the bills at its earliest.
- r) User/Technical and Operators manual as applicable shall be provided along with the item.
- s) **Fall clause:** If any time before the delivery of the item, it is found that the same have been offered to another party in India at a lower rate, payment shall be restricted to the extent of such lower rate and the supplier shall be liable to pay the purchaser the difference in two rates i.e., excess charge or such lower rate. The company will look into a reasonable past period to ensure this.

## 11. Use of facilitator for procurement

The company may approach the original supplier of goods or equipment to act as a facilitator for procuring the required original equipment spares or parts and supply to the company. The company may adopt such a method if it results in better price, quality or time saving.

## 12. Need for expeditious processing

It is imperative that the procurement process is fully responsive to the needs of the Company and facilitates expeditious procurement so that requirements are met on time. It is, therefore, essential that all prescribed activities are undertaken expeditiously and advice rendered within a specified time frame.

## 13. Terms of payment

- a) **Direct payment to the vendor:** No advance payment will be made for purchase. 100% payment will be made after satisfactory delivery and successful completion. However, it may become necessary to make advance payments in certain cases. The powers to sanction advance payment to suppliers shall vest with the competent authority. **For advance payment, receipt of payment must be submitted within one day on company letterhead.**
- b) **Reimbursement to indenter:** In certain cases the indenter has purchased necessary items from his or her own pocket, but the indenter has to get prior approval from the competent authority. After purchases have been made the indenter should submit the reimbursement form to be submitted along with the original invoice within 7 working days of receipt of invoice.



## 14. Tax and duties

The supplier should ensure payment of all taxes, duties, levies and charges assessed by all municipal, state or national government authorities, in connection with the Goods and Services.

## 15. Code of integrity

No from the the company or a bidder shall act in contravention of the following which includes:

### a) Prohibition of

- i. making offer, solicitation or acceptance of bribe, reward or gift or any material benefit, either directly or indirectly, in exchange for an unfair advantage in the procurement process or to otherwise influence the procurement process.
- ii. any collusion, bid rigging or anti-competitive behavior that may impair the transparency, fairness and the progress of the procurement process.
- iii. any financial or business transactions between the bidder and any official of the company connected to the execution process of contract which can affect the decision of the competent authority directly or indirectly.
- iv. making false declaration or providing false information for participation in a tender process or to secure a contract;

### b) Disclosure of conflict of interest.

The company may debar a bidder or any of its successors, from participating in any procurement process undertaken by it, for a period not exceeding two years, if it determines that the bidder has breached the code of integrity.

## 16. Power to amend the procurement policy

Owing to the dynamic nature of the niche technology sector that the Company is operating in, this procurement policy may be reviewed periodically and Company may at any time revise, modify, delete, amend, substitute any word, phrase or portion of this policy, with due approvals of the Board of Directors.



# IIT PALAKKAD TECHNOLOGY IHUB FOUNDATION

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## ANNEXURE A

### Purchase Indent Form

1. Indentor name :
2. E-mail of indentor :
3. Contact number of indentor :
4. Purchasing entity : Company / Indenter
5. Purchase under company / project : Company
6. Project sanction number (if any) :
7. Description of the purchase:

Sl No	Description of Items	Required Quantity

8. Technical and financial evaluation (one table per vendor)

Name of vendor	
Quotation no. and date	
Technically qualified	Yes / No
Reason for technical disqualification (if any)	
Payment modalities	
Quoted amount (inclusive of GST)	
Expected variation in quoted amount (if any)	

**Signature of the Indenter**



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**FOR ADMIN PURPOSE ONLY; DO NOT MODIFY BELOW THIS LINE**

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**Name of the processing admin staff** :

**Reference** :

**Date** :

**Type of purchase** : Normal / Limited Quotation / Rate Contract /  
Reimbursement to Indenter

**Budget head** : Recurring / Non-recurring

**Intersec details** :

  

**Vendor selected and reason** :

  

**Funds available for purchase** : Yes / No

**This indent has been** : Approved / Rejected

**Reason for rejection (if any)** :

**Authorized signatory**

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# IIT PALAKKAD TECHNOLOGY IHUB FOUNDATION

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## Expense Approval Form

1. Indentor name :
2. E-mail and mobile of indentor :
3. Mode of settlement :
4. Purchase under company / project :
5. Project sanction number (if any) :
6. Total expected expenditure :
7. Reason for purchase :

### 8. Description of the purchase

Sl No	Description of Items	Required Quantity	Estimated Cost
Total Estimated Cost			

**Signature of the Indenter**



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**FOR ADMIN PURPOSE ONLY; DO NOT MODIFY BELOW THIS LINE**

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**Name of the processing admin staff** :  
**Reference** :  
**Date** :  
**Budget head** : Recurring / Non-recurring  
**This spot purchase indent has been** : Approved / Rejected  
**Reason for rejection (if any)** :

**Authorized signatory**

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# IIT PALAKKAD TECHNOLOGY IHUB FOUNDATION

(Incorporated under Section 8 of the Companies Act 2013)

## Expense Settlement Form

1. Name of applicant :
2. Email and mobile of applicant :
3. Approved expense approval form number :
4. Purchase under company / project :
5. Project sanction number (if any) :
6. Total amount approved :
7. Total amount spent :
8. Deviations, if any :
9. Details of purchase

Sl No	Description of Items	Invoice Number & Date	Amount (INR)
1.			
Total			

10. Mode of settlement :

11. Vendor details (if applicable)

- a. Name :
- b. Address :
- c. E-mail and phone number :

12. Bank account details to which amount is to be transferred

- a. Account holder name :
- b. Account Number :





# IIT PALAKKAD TECHNOLOGY IHUB FOUNDATION

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c. IFSC Code :

d. Branch :

Signature of applicant

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FOR ADMIN PURPOSE ONLY; DO NOT MODIFY BELOW THIS LINE

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Name of the processing admin staff :

Reference :

Date :

Budget head : Recurring / Non-recurring

This request has been : Approved / Rejected

Reason for rejection (if any) :

Authorized signatory

To,  
The Account Section

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**Note: Purchase settlement form to be submitted along with original invoice / PO within  
Seven (10) working days of receipt of invoice.**



# IIT PALAKKAD TECHNOLOGY IHUB FOUNDATION

(Incorporated under Section 8 of the Companies Act 2013)

## Reimbursement Form

1. Name of applicant :
2. Designation :
3. Email and mobile of applicant :
4. Purchase under Company / Project :
5. Project sanction number (if under project) :
6. Expenses approval form number :
7. Total amount approved :
8. Total amount spent :
9. Deviations, if any and reason :
10. Description of the purchase:

Sl No	Description of Items	Amount (INR)
Total		

### 11. Bank account details of applicant

- a. Account holder name :
- b. Account Number :
- c. IFSC Code :
- d. Branch :



# IIT PALAKKAD TECHNOLOGY IHUB FOUNDATION

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I hereby declare that I have made the following payment(s) towards the above purchases.

Sl. No.	Transaction Amount	Transaction reference, (if any)	Date of transaction	Mode of payment (Netbanking/UPI/Debit card/Credit card/Cash)
1				
2				

Signature of applicant

FOR ADMIN PURPOSE ONLY; DO NOT MODIFY BELOW THIS LINE

Name of the processing admin staff :  
Reference :  
Date :  
Budget head : Recurring / Non-recurring  
This request has been : Approved / Rejected  
Reason for rejection (if any) :

Authorized signatory

To,  
The Account Section

**Note: Reimbursement form to be submitted along with original invoice / PO within Seven (7) working days of receipt of invoice.**