

VIGILANCE CELL

No.IMU/CVO/ 17/ 2013/Vig.

Date: 23.4.2013

CIRCULAR No.

Sub: - Procurement – Purchase of Proprietary Items – Circular – Reg.

Some of the guidelines / procedures to be followed are brought for notice while making procurement of proprietary items / services. A detailed justification for purchase / services has to be placed on record.

A. The circumstances in which the proprietary procurement / services may be invited:

- I. For standardization of machinery or spare parts to be compatible to the existing set of equipments (on the advise of the competent technical committee and approved by the competent authority), the required item is to be purchased from the selected firm.
- II. When an item or items of stores covered by an indent is available from only a single source, e.g. where the stores are spare parts, attachments, accessories etc., required for an existing equipment or the items or stores are the monopoly products of a single manufactures. etc.,
- III. When an item or items of stores covered by an indent is of proprietary nature and is recommended to be purchased from a single source with sufficient technical reasons for choice of the proprietary make with the approval of the competent authority.

B. Proprietary Article Certificate

- Proprietary Article Certificate (PAC) may be issued to the original equipment manufacturer (OEM) and items procured on the PAC basis from the particular firm or its authorized dealers, stockist or distributors.

- While PAC is issued only in respect of the concerned OEM, the item may be bought from any dealer, stockist or distributor specified in that particular PAC on the basis of the information provided by the OEM, provided the purchase is accompanied by a proper manufacturer certification.
- This also applies for the repairs / servicing on the basis of PAC through the sole dealer / servicing agency authorized by the OEM.
- The indents seeking proprietary articles should be accompanied with PAC as per the following format.

(a) Proprietary Article Certificate for Goods / Services to be approved by the Competent Authority of the University

(1) Description of Goods / Services : _____

It is certified that :

- (i) The goods are manufactured / Services are provided by _____ name of the OEM
- (ii) No other make or model /supplier / service provider is acceptable / available to supply the above goods for the following reasons.
 - (a) _____
 - (b) _____
 - (c) _____
- (iii) M/s _____ (name of the firm) are the authorized dealer / stockist distributor of the OEM / original service provider

(2) Concurrence of finance to grant this PAC has been obtained vide _____

(3) Grant of this PAC has been approved by _____ as the competent authority, vide _____ (Signature, date and designation of Indenting officer)

(b) Proprietary Article Certificate for Items to be approved by the Competent Authority of the University

(1)Description of Items : _____

It is certified that :

(i) The items are manufactured / Services are provided by _____ name of the OEM

(ii) No other make or model /supplier / service provider is acceptable / available to supply the

above goods for the following reasons.

(a) _____

(b) _____

(c) _____

(iii) M/s _____ (name of the firm) are the authorized dealer / stockist distributor of the OEM / Original service provider

(2) Concurrence of finance to grant this PAC has been obtained vide

(3) Grant of this PAC has been approved by _____ as the competent authority, vide _____ (Signature, date and designation of Indenting officer)

C. While placing an indent, the following should be observed.

(i) PAC should be operated on manufacturer only. There are occasions when items normally PAC products, cannot be procured from the original manufacturer (may be the product line is discontinued) and have to be procured from another vendor as per sample in the absence of detailed specifications or drawing. For such items, the supplier prepares detailed specification as well as the drawing. The user department and the inspecting authority should acquire such specifications and drawing and retain with them to guide future production and inspection.

(ii) Efforts could be taken to indigenize some high value items as import substitute and in such cases, the specifications including the drawing and other details could be formulated by the user department.

(iii) Such specification should be available and inspection also could be done so as to ensure conformity with the required quality standard of the item being supplied.

D. Specification

- i. There are standard industrial specifications like the IS, BS, DIN and GOST available for sale in the market. In the case of medical stores standard specifications are issued by WHO, FDA, CE etc., every procuring agency

should enquire such specifications for reference to ensure quality standards of the product being procured.

- ii. There are items for which industrial specifications are available. In such cases, the indenter must indicate the general parameters normally the dimensional and performance parameters to enable procurement; such adhoc specifications must be enough to enable procurement. Such adhoc specifications must be broad enough to permit wider participation by the suppliers and should not be restrictive so that adequate competition is not obviated.
- iii. If the specifications for branded commercial product are not available with the purchaser, these are to be accepted on the firm's guarantee.
- iv. The PAC specifications /service manuals are available only with the proprietary firms and are protected by the intellectual property right. Hence, if PAC specifications / service manuals are normally not available with the purchaser /service provider, the firms certificate of quality is accepted.

E. Delegation of Powers :

As per present delegation of powers prescribed for according administrative approval are as follows.

F. Processing of procurement of proprietary items / providing if services

- i. While obtaining administrative sanction, the PAC should also be enclosed, the inevitability for choosing the single firm / service provider should be brought in and detailed elaboration in transparent manner.
- ii. When proprietary articles are purchased /services are provided, the manufacturing concern service provider may be directly addressed for furnishing a quotation mentioning our technical specifications. The suitable tender documents / undertaking should be prepared in this regard.
- iii. All the proposals of purchase of proprietary items / providing of services shall be subject to Finance concurrence.

- iv. While making procurement of proprietary items / services detailed justification for purchase / services from a single vendor is recommended.
- v. All purchases of Proprietary items / providing of services where advance payment is involved, approval should be obtained as per delegation of powers.
- vi. When the Tender Committee evaluating the tender, the Committee has the responsibility to ensure the guidelines issued are followed, discuss and finalize the recommendations including justification of rates in respect of the procedures for procurement of proprietary items / providing of services.
- vii. Submission of Proprietary Article Certificate is mandatory. Since the proprietary nature of items are probably changeable, the PAC issued should be reviewed periodically or the date of review of the item whichever is earlier.

The above stated guidelines are mere illustrative and not exhaustive. Hence, the circulars / instructions of Central Vigilance Commission, Headquarters of Indian Maritime University issued from time to time shall also be referred for the procedures to be followed for the purchase of proprietary items.


Chief Vigilance Officer

To

The Director / All Campuses

Copy To:

Vice Chancellor

Registrar

Finance Officer

Dy. Registrar (Purchase)

Dy. Registrar (Admin)

✓ circular file