

ISO: 9001:2008  
Procedure No QSP 04A

ISO Clause No. 7.4

**2.0 PURPOSE:** To ensure that quality system for purchasing activities are ISO 9001:2008 compliant duly ensuring statutory and legal requirements.

**3.0 SCOPE**

This procedure is applicable to all relevant activities of RDSO.

**4.0 RESPONSIBILITY OF DOCUMENTATION**

4.1 MR is responsible for establishing, issuing and changing of this procedure.

4.2 Concerned control copyholders are responsible for implementing and maintaining this procedure.

**5.0 RESPONSIBILITY**

5.1 Executive Director/Stores is responsible for overall implementation of the procedure for the Stores Directorate. Concerned Heads are responsible for their areas for related activities.

5.2 Director Stores, SMM and AMMs are responsible for verification and timely placement of orders and subsequent inspection of purchased Items. They are also responsible for procurement, availability & supply of all stock items.

5.3. Stores Directorate is responsible for follow up action against stock items i.e. chasing of firm to ensure the compliance of the orders.

5.4. For non-stock items consignee / user directorate are responsible for follow up, inspection and verification.

**6.0 DEFINITIONS**

Supplier: a firm, which supplies item(s) of store to RDSO

Vendor: a firm, which supplies item(s) to Indian Railways.

**7.0. PROCEDURE OF PURCHASE AT RDSO**

7.1. Purchases shall be done as per approved SOP and as amended from time to time. SOP and such amendments shall be available of intranet / shared folders for easy access.

7.2. Procedure for procurment: The procedure for various purchasing activity shall be as adopted on RDSO on the basis of system on IR and in accordance with statutory requirements. All modes of procurement like LP, tendering, DDO for RC items, SPC, direct buying, stock assistance etc are adopted, as per the need and requirement of the case. Low value items are purchased through local purchase /cash (petty) purchase and higher value items through tenders. Transparency is to be ensured through website publications. RC is normally used for requirements for commensurate values as to match with the time limits, procedures involved and work activities.

Briefly same is brought out as under:

- 7.2.1 The demand received from indenting Directorate is scrutinized for various aspects like finance concurrence, sanction of competent authority and adequacy of other requirements like specification, likely sources of indented item.
- 7.2.2. Based on the estimated value, type of item and likely sources indicated in the demand, approval of competent authority is obtained for floating of appropriate type of tender i.e. global tender/ open tender / limited tender / PAC tender or local purchase. This is based on latest SOP on Stores Matters and extant instructions issued by Railway Board from time to time.
- 7.2.3. Tendering procedure is as per extant instruction of Railway Board and as adopted on RDSO. Tenders are uploaded on website for wide publicity in addition to wherever required newspaper publicity
- 7.2.4. Tenders are opened on the due date and time as per system of tender opening laid down by Railway Board/RDSO.
- 7.3. Procedure for evaluation of offers:
  - 7.3.2. For non Tender Committee cases (present value being upto Rs. 10 lakhs) the offers are scrutinized for technical suitability, rate reasonableness and other terms and conditions by the concerned purchase officer. If required confirmation for technical suitability and rate reasonableness for non-stock item is taken from indenting Directorate, otherwise evaluation is done based on tender documents and offers on hand directly. Acceptance is accorded to lowest technically suitable and commercially accepted offer as per Stores SOP.
  - 7.3.3. For Tender Committee cases (present value above Rs 10 lakhs), Stores Directorate prepares rates tabulation and same is vetted by finance Directorate. The case is dealt with by a Tender Committee comprising of three members of Stores Directorate, indenting Directorate and Finance Directorate. The offers are technically evaluated by technical members from the indenting Directorate. The tender committee evaluates the offers for technical acceptability, justification of the rates quoted and other contractual terms and puts up the recommendation to accepting authority as per latest SOP on Stores Matters
- 7.4. Placement of contract:

After acceptance of the offer by competent authority-

  - i) Purchase Orders not requiring vetting as per extant instructions are released without Finance concurrence, duly signed by officer of Stores Directorate as per competency
  - ii) Purchase Orders requiring vetting as per extant instructions are placed with Finance concurrence, duly signed by officer of Stores Directorate as per competency

#### 7.4.1 Post Contract Dealing

For Stock Items, Stores Directorate takes follow up action i.e. chasing of firm to ensure the compliance of the orders, where as consignee /user directorate carries out all post contract activities for non stock items.

Wherever necessary, amendment to the P.O./contract is issued on request by the firm or as desired by RDSO with the approval of competent authority.

#### 7.5 Verification of Purchased Product:

7.5.1 For the stock items, the quality plans laying down the acceptance criteria are brought out in the purchase order or as per established system at RDSO. This is dealt by DMS / Central Receipt Section (CRS) & inspection section, under the guidance of AMM/Depot. CRS may consult technical user Directorates. Individual ward keepers are responsible for stock items. AMM/Depot is overall responsible for verification of the quality of stock items.

7.5.2 For the non-stock items, this activity is ensured by the consignee / user directorate. The quality plans laying down the acceptance criteria are brought out in the purchase order or as per user directorate specification as brought out in the indent.

7.5.3. The verification arrangements in the purchase order include Inspection Agency, Place of Inspection and Quality plan. Wherever quality plan is not given, the inspection is carried out as per specification / drawings. Wherever the purchased item is required to be verified at supplier premises either by RDSO or by external inspecting agency, the same is incorporated along with modalities of product release in the purchase order.

7.5.4 If required as per contract, customer / authorized representative of the customer are permitted to verify the purchased products at supplier / RDSO premises according to requirements. However, final authority to accept /reject the quality of the item remains with RDSO.

7.5.5 Concept of third party inspection / pre-inspection is sought to enhance quality assurance. Even if the consignment is pre-inspected by outside agency, final inspection is carried out by consignee before the consignment can be released for use, if found fit. Whenever a pre-inspected material is rejected by RDSO and the supplier does not agree with the rejection, the consignee organizes a joint inspection and a joint report is made for final disposal of case.

#### 7.6 Supplier registration for identified stock items:

Low value items (petty purchases) are purchased against single quotation basis or against bills directly, to keep cost and energy of procurement low while maintaining the speed of procurement fast and remaining are tendered or purchased through DGS&D or other central RC issuers.

For tendered items no separate registration of suppliers /vendors is done as RDSO is in the midst of NR and NER and its needs are quite low, unique & as to avoid duplicity of registration efforts. For this purposes all firms registered by any of the railway are considered as registered supplier against documentary evidence to be given by the firm.

## **8.0. Materials Management ( Depots)**

8.1. Regularly and frequently required items are stocked in stocking wards. This stocking is done in consultation with users and specifications reviewed periodically.

The items are stocked on charged off of basis since total value and needs are relatively small unlike IR where Stores Suspense is maintained.

8.2. A separate central receipt and inspection wards ensures quality as per laid done specification.

8.3. Another section for disposal of scrap, surplus and redundant materials functions for recycling, disposal etc. Present system is to dispose through already established scrap depot of NR at Alambagh.

8.4. Petty Purchase, Local Purchase Section: Low value procurements (presently up to Rs 10,000 as per Railway Board's delegated powers) are done through this section so as to have commensurate work load and faster cycle time.

## **9.0 TARGET CYCLE TIME**

A Target cycle time for various activities after receipt of valid requisition from user Directorate has been laid down which is periodically reviewed.

## **10.0 DOCUMENTS AND FORMATS**

As per DOP

## **11.0 CROSS REFERENCES**

Unified Latest Schedule of power on Stores matters.  
DOP of Stores Directorate

## **12.0 QUALITY RECORDS**

As per DOP

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