14/11/2025
Purchase policy

1. INTRODUCTION

This policy contains the general rules applicable to MDI ("the Institute"), regarding procurement of goods and services required for use in the Institute. This outlines the procedures to be followed for the purchase of various kinds of goods and procurement of services by the Institute for its functioning. This is prepared with reference to the General Financial Rules 2017 (updated up to 31.07.2025) issued by the Department of Expenditure, Ministry of Finance. This policy is effective from ______ after its approval from the Board of Governors in their meeting held on 14th November 2025.

2. DEFINITIONS

- **Competent Authority** means the authority or person duly empowered to exercise the powers delegated under the *Delegation of Powers for Financial and Administrative purposes*, as applicable from time to time.
- **Capital Asset**: An asset that is eligible to be classified as a 'Capital Asset' as per the Capitalization policy adopted by the Institute from time to time.
- **Accounting Period** means the year beginning on the 1st of April of a calendar year and ending on the 31st of March of the following calendar year.
- **Request for Proposal (RFP):** An RFP is a formal method of procurement used for goods and/or services where selection is based on a combination of technical and financial parameters, rather than on price alone. It is generally adopted for complex, high-value, or customized procurements, where detailed evaluation of quality, technical capability, and performance is required.

3. TYPES OF PURCHASES/ PROCUREMENT

This policy is applicable to procurements of goods and services of the following nature:

- Capital Equipment and Asset
- General purchases and consumable items
- Repairs and maintenance items
- Works contracts
- Service contracts like Annual Maintenance Contracts (AMCs), Outsourcing of services etc.
- Consultancy services
- E-procurement

4. FINANCIAL SANCTIONING POWERS

An authority or person who is duly empowered to incur expenditure may sanction the purchase of goods/ services required for use in the Institute, in accordance with the provisions under the Delegation of Powers for Financial & Administration of MDI Society approved by the BoG, subject to the approved budget, following the general procedure contained in the following rules:

- The approved limits shall apply to indigenous purchase as well as to imports. For the purposes of imports the INR equivalent of the foreign currency on the date of invoice should be considered.
- The financial and sanctioning powers as approved by the BoG can be revised by the BoG from time to time.

5. TENDERING PROCESS, COMMITTEES AND PURCHASE PROCEDURE

Nomenclature	Mode
5.1 Local purchase without Tender	Purchase of goods up to value of Rs. 25,000/- (Rupees Twenty-Five Thousand) only on each occasion may be made without inviting quotations or bids on the basis of a certificate to be recorded by the User/Purchaser as under: *"I,___, am personally satisfied that these goods purchased are of the requisite quality and specification and have been purchased from are liable supplier at a reasonable price."* For effecting such purchases, the indenter shall take prior approval of the competent authority.
5.2 Local Purchase Committee	Purchase of an estimated value not exceeding Rs. 5,00,000/- can be made, where considered absolutely necessary, by Purchase Committee, constituted for the purpose, consisting of representatives from Finance, Purchase and Indenter. The Committee shall be constituted by the Competent Authority for which action will be taken by the Purchase / Engineering / Concerned Department. For effecting such purchase, the Indenter shall obtain prior approval of the Competent authority, specifying in writing the need for such mode of purchases. Purchase of goods costing above Rs. 25,000 (Rupees Twenty-Five thousand) and up to Rs. 5,00,000 (Rupees Five lakhs) on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting of three members of an appropriate level as decided

	by the Competent Authority. The committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier and will go with minimum of three quotations. Before recommending placement of the purchase order, the members of the committee will jointly record a certificate as under: *"Certified that we , members of the purchase committee are jointly and individually satisfied that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question."*
5.3 Limited Tender	(i) This method may be adopted when estimated value of the goods to be procured is up to Rs. 50 lakhs (Rupees Fifty Lakhs). (ii) Copies of the bidding document should be sent directly by speed post/registered post/courier/ email to maximum number of reputed suppliers including Registered/Empaneled Suppliers as per prevailing guidelines from the GNCTD. The number of such firms/ suppliers should be more than three. Efforts should be made to identify a higher number of approved suppliers to obtain more responsive bids on competitive basis. (iii) Further, the Institute should publish its tender enquiries on its website apart from other modes of web-based publicity. (iv) In case of non-availability of required number of known/ onboarded and reputed suppliers, open tenders could be invited even though the estimated value of the goods to be procured is less than Rs. 50 lakhs. (v) Sufficient time should be allowed for submission of bids in Limited Tender Enquiry cases.
5.4 Open Tender	The open tender method shall normally be followed for all procurement worth more than Rs. 50 lakhs (Splitting of indents, in order to bring it outside the ambit of open tender method is strictly prohibited). However, if deemed necessary/appropriate, Open tender inquiry could also be invited in cases where estimated procurement is less than Rs. 50 Lakhs. Ordinarily, the minimum time to be allowed for submission of bids should be three weeks from the date of publication of the tender notice or

	availability of the bidding document for sale, whichever is later. Where the department also contemplates obtaining bids from abroad, the minimum period should be kept as four weeks for both domestic and foreign bidders. The notice inviting tenders (NIT) shall be short, clearly worded and unambiguous. It should give a brief description of the item/ equipment to be procured, the qualification requirement for the supplier, the last date up to which tender papers shall be supplied (when required) the date of receipt of completed tenders, the date, time and venue of opening of tenders. Notice inviting tenders shall be given in at least one national daily newspaper and should be published on the MDI web site. Efforts should be made to implement E-tendering for better price discovery and transparency in the system. To reduce expenditure on advertisement, an abridged tender notice may be released through newspapers with an advice to see complete details on Institute's website. Notice inviting Tenders along-with complete bidding document shall also be published on Institutes website and prospective bidders shall be permitted to make use of the document downloaded from the web site. If such a downloaded bidding document is priced, there should be clear instructions for the bidder to pay the amount by demand draft etc. along with the bid.
5.5 Single Tender	Purchase of proprietary / specified brand goods may be made on single tender basis from the manufacturers or from their authorized distributors on the recommendation of the Indenter in the following circumstances: (i) It is in the knowledge of the user department that that only a particular firm is the manufacturer of the required goods and no one else and proprietary article certificate has been provided by the Indenter in the prescribed format with due justification. (ii) In a case of emergency, the required goods are necessarily to be

	purchased from a particular source and the reason for such decision is to be recorded and prior approval of competent authority is obtained. (iii) For standardization of machinery or spare parts to be compatible to the existing sets of equipment (on the advice of a competent technical expert and approved by the competent authority), the required item is to be purchased only from a selected firm. Proprietary Article Certificate (PAC) in the following form is to be provided by the Indenter/ Procuring Officer before procuring the goods from a single source: *The {name of the indented good(s)} is / are manufactured by M/s (name of manufacturer) No other make or model is acceptable for the following reasons:* .... *Concurrence of finance has been obtained (Copy attached)* *Approval of the Competent Authority has been obtained (Copy attached)* *(Signature with date and designation of the Indentor/ procuring officer)*
5.6 Two Bid System	For purchasing plant, machinery, goods of complex and technical nature, irrespective of the cost where technical evaluation carries more importance in choosing the right product, bids may be obtained in two parts as under: (i) Technical bid consisting of all technical details along with commercial terms and conditions, and (ii) Financial bid indicating item-wise price for the items mentioned in the technical bid. The technical bid and the financial bid should be sealed by the bidder in separate covers duly super-scribed. Both these sealed covers are to be put in a bigger cover which should also be sealed and duly super-scribed. The technical bids are to be opened at the first instance and evaluated by a competent committee or authority/ technical team nominated by the

	Competent Authority. At the second stage, financial bids of only the technically acceptable offers should be opened for further evaluation and ranking before awarding the contract. The ranking for technical and financial scores for evaluation purpose should be 70:30 or more in favour of technical score. The amount of Earnest Money Deposit (bid security), including waiver, and Performance Bank Guarantee (PBG) shall be as per Rules of the Govt. of India, as amended from time to time. For purchases valuing above Rs. 25 lakhs, the two-bid system is mandatory. However, for purchases valuing up to Rs. 25 lakhs, it is recommended to follow based on the evaluation of technical aspects. The approval for waiver may be accorded by the Competent Authority.

6. GENERAL PROCEDURES AND RULES FOR PROCUREMENT OF SERVICES

6.1 Consulting Service

"Consulting Service means any subject matter of procurement (which as distinguished from 'non-Consultancy services' involves primarily non-physical project specific, intellectual and procedural processes where outcomes/ deliverables would vary from one consultant to another), other than goods or works, except those incidental or consequential to the service, and includes professional, intellectual, training and advisory services.

These Services typically involve providing expert or strategic advice e.g., management consultants, policy consultants, communications consultants, Advisory and project related Consulting Services which include, feasibility studies, project management, engineering services, finance, accounting and taxation services, training and development etc.

Following are the basic guidelines to be followed in the procurement of services of consultant:

6.1.1 Identification of Services requiring high quality services for which the Department does not have requisite expertise. The approval of the competent authority should be obtained before engaging consultant(s).

6.1.2 Defining the requirement, objectives and the scope of the assignment.

6.1.3 **Estimating reasonable expenditure** by ascertaining the prevalent market conditions and consulting other organisations engaged in similar activities.

6.1.4 **Identification of likely sources:** Where the estimated cost of the consulting service is:

(i) **Up to Rs. 5 lakhs:**

(ii) **Above Rs. 5 Lakhs but not exceeding Rs. 10 lakhs:** Preparation of a list of potential consultants may be done on the basis of formal or informal enquiries from other Departments or organisations involved in similar activities

(iii) **Above Rs. 10 lakhs:** Along with preparation of a list of potential consultants, an enquiry for seeking 'Expression of Interest' from consultants should be published on public portal as well on MDI website. Enquiry for seeking Expression of Interest should include in brief, the broad scope of work or service, eligibility and the prequalification criteria to be met by the consultant(s) and their past experience in similar work or service. Adequate time should be allowed for getting responses from interested consultants.

6.1.5 **Short listing of consultants,** on the basis of responses received from the interested parties above. The number of short-listed consultants should not be less than three.

6.1.6 **Preparation of Terms of Reference (TOR):** The TOR should include:

(i) Precise statement of objectives.

(ii) Outline of the tasks to be carried out.

(iii) Schedule for completion of tasks.

(iv) The support or inputs to be provided by the procuring Department to facilitate the consultancy.

(v) The final outputs that will be required of the Consultant.

6.1.7 **Preparation and Issue of Request for Proposal (RFP)** to the shortlisted consultants to seek their technical and financial proposals.

6.1.8 **Receipt and opening of proposals**

6.1.9 **Evaluation of Technical Bids** by a Consultancy Evaluation Committee (CEC) constituted by the Competent Authority.

6.1.10 **Evaluation of Financial Bids of the technically qualified bidders** for further analysis or evaluation and ranking and selecting the successful bidder for placement of the consultancy contract.

6.1.11 Methods of Selection/ Evaluation of Consultancy Proposals: The basis of selection of the consultant shall follow any of the methods given below:

(i) **Quality and Cost Based Selection (QCBS)**: QCBS may be used for where quality of consultancy is of prime concern but cost also matters. Steps involved are as follows:

Step 1: Evaluate technical proposals based on quality criteria in the RFP.
Step 2: Only proposals meeting the minimum quality score move to financial evaluation.
Step 3: Financial proposals are scored and combined with technical scores using predefined weightages (e.g., 70:30, 60:40).
Step 4: Proposal with the highest combined score (quality + cost) is selected.
The weightage of the technical parameters i.e. non- financial parameters in no case should exceed 80 percent.

(ii) **Least Cost System (LCS).** LCS is appropriate for assignments of a standard or routine nature (such as audits and engineering design of non-complex works) where well-established methodologies, practices and standards exist. Unlike QCBS, there is no weightage for technical score in the final evaluation and the responsive technically qualified proposal with the lowest evaluated cost shall be selected.

6.2 NON-CONSULTING SERVICES

Non-Consulting Service" means any subject matter of procurement (which as distinguished from 'Consultancy Services'), involve physical, measurable deliverables/ outcomes, where performance standards can be clearly identified and consistently applied, other than goods or works, except those incidental or consequential to the service, and includes maintenance, hiring of vehicle, outsourcing of building facilities management, security, photocopier service, janitor, office errand services, drilling, aerial photography, satellite imagery, mapping etc. The Institute may procure certain non-consulting services in the interest of economy and efficiency.

The Institute, when needed, prescribe the detailed instructions and procedures, without contravening the basic guidelines which are outlined above in the case of Consulting Services.

6.3 SINGLE SOURCE SELECTION / CONSULTANCY BY NOMINATION

The selection by direct negotiation/nomination, on the lines of Single Tender mode of procurement of goods, is considered appropriate only under exceptional circumstance such as:

(i) Tasks that represent a natural continuation of previous work carried out by the firm;

(ii) In case of an emergency situation, situations arising after natural disasters, situations where timely completion of the assignment is of utmost importance; and

(iii) Situations where execution of the assignment may involve use of proprietary techniques or only one consultant has requisite expertise.

(iv) Under some special circumstances, it may become necessary to select a particular consultant where adequate justification is available for such single-source selection in the context of the overall interest of the Institute. Full justification for single source selection should be recorded in the file and approval of the competent authority obtained before resorting to such single source selection.

(v) It shall ensure fairness and equity, and shall have a procedure in place to ensure that the prices are reasonable and consistent with market rates for tasks of a similar nature; and the required consultancy services are not split into smaller sized procurement.

7. GENERAL POINTS TO BE CONSIDERED

(i) The purchase shall be made after exercising due care and diligence. While releasing/adjusting payment Finance & Accounts Division shall ensure that certificate, where required, is furnished/enclosed with the invoice.

(ii) A demand for goods should not be divided into small quantities to make piecemeal purchases to avoid the necessity of obtaining the sanction of higher authority required with reference to the estimated value of the total demand.

(iii) In the case of open tender through advertisement or limited tender, late bids (i.e. bids received after the specified date and time for receipt of bids) should not be considered.

(iv) The Procuring Department should be involved throughout in the conduct of the contract and continuously monitor the performance of the contractor.

(v) The parameters for technical evaluation should be properly vetted and agreed upon by each member of the concerned Purchase Committee; if required, it may be warranted by an expert.

(vi) In case, the award of work is assigned to a MSME vendor, the MSME vendor onboarding on ERP has to be done categorically. This is helpful in connection with the compliances of MSMED Act, 2006.

8. INTERPRETATION

For interpretation of the above laid down procedures, the Registrar shall be the final authority. In case of any deviation in the proposals and procurements made from the above guidelines, the Director shall be the final authority to decide.

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