

Subject: Standard procedure – purchase division.

1. All requisitions must be entered into the database and ID generated. All bills and DCs to be generated through database. In case of power failure or server failure manual DCs and invoices can be prepared. However, they should be cancelled and system generated invoice/DC should be prepared and attached to the manual copy. This is to be strictly followed from 1st April, 2020.
2. Accounts not to accept manual DC or invoices of SSSLP.
3. For material supplied from Vista, BNC, MPL, SOV and other sites DC to be generated from SSSLP stores and PDF copy sent to respective sites (this procedure to be reviewed and implemented from 1st May, 2020).
4. Procedure for MRN (Material Receipt Note) and MIN (Material Issue Note) to be strictly implemented at all sites to ensure that stock is correctly maintained.
5. All Pos must be closed periodically in database. Goushee to review Pos not closed of previous month at the end of each month.
6. Prabhakar to check 3 log books (PO, DC, invoice) once a week.
7. Guidelines for negotiations:
 - a. For all items must be based on a. past purchase, b. breakdown of cost of each component, c. technical information from more than two vendors, d. quotation from more than 2 vendors.
 - b. For transport cost – must be based on two important criteria, a. quantity of material that can fit into truck/van based on volume or weight, b. distance, consider one way or two way judiciously. Also consider Hamali charges.
 - c. For negotiations of work orders – prepare estimate considering the following: a. Material cost without GST, b. wastage, c. labour cost, d. transportation cost, e. 10 to 15% profit margin. GST to be paid separately after preparing estimate. GST paid on material gets fully adjusted against GST being paid to the vendor.
 - d. Negotiations – important note – be skeptical about technical and pricing information given by vendors. It is always biased in their favour.
8. Any material with the value of more than Rs. 5,000/- cannot be ordered without explicit permission of MD by way of a separate note (approval on requisition and PO will not be considered as approved), where
 - a. material is not ordered before or,
 - b. not as per standard guidelines,
 - c. price variation of more than 15% on earlier rates,
 - d. violation of standard procedures being followed for several years.
9. Purchase managers/officers must screen all requisitions with respect to-
 - a. all required information is provided in requisition,
 - b. requisition is in correct format,
 - c. specifications are clear. If not cancel the requisition and send email to send corrected requisition.
10. Sites to send labour to SSSLP along with van for loading the following materials. One labour required for aluminum windows, templates, grills, sanitary material, painting material and material weighing more than 20 kgs. 2 labour to be sent for materials like

MS gates, railings, door frames, doors, plywood, granite and other heavy material weighing more than 30 kgs. Material will be issued from SSSLP from 10am to 5.30pm 6 days a week. Only light weight material will be loaded/unloaded by 2 helpers at SSSLP. Drivers must also help in loading and unloading material.

11. Guideline for limits on work orders for work order value, advance paid.

- a. and Fabrication of Ms grills, gates, templates, railings, etc., - limits. Old contractors i.e., P. Satish – limit 5 lakhs. New contractors – first two orders limit Rs. 50,000/-. 3rd to 5th order limit Rs. 1 lakh. 6th order onwards limit Rs. 2 lakhs. Limit shall be calculated as: Value of material delivered and invoice raised + value of material delivered and invoice not raised x 50% minus advance paid. Contractor may raise several invoices for one PO. However, payment to be issued only on delivery of 100% material. No PO can exceed Rs. 2 lakhs in value. Murthy to prepare excel sheet for calculating limit.
- b. Fabrication of aluminum windows - limits. Old contractors i.e., Ramulu, Sudarshan, Sai Rohit, Glazing concepts – limit 5 lakhs. New contractors – first two orders limit Rs. 1 lakh. 3rd order onwards limit Rs. 2 lakhs. Limit shall be calculated as: Value of material delivered and invoice raised + value of material delivered and invoice not raised x 50% minus advance paid. Contractor may raise several invoices for one PO. However, payment to be issued only on delivery of 100% material. No PO can exceed Rs. 2 lakhs in value. Murthy to prepare excel sheet for calculating limit.
- c. Work orders for materials like aluminum windows, MS fabrication, pavers, granite etc., - contractors to be advised to raise bills of materials delivered on a weekly basis. Further payment to be made to contractor after adjusting entire advance paid against the WO. Accountants should clearly mention details of work order in advance paid entry in tally.

12. Office copy of all PO/WOs to be bar coded as per standard procedure. Original office copy should be attached to advice for payment to supplier. In case original bar coded office copy is lost, an NOC from respective project accountant shall be required on duplicate copy.

13. PPC, PSC cement can be used for RCC work of villa projects. DO NOT USE for RCC work of apartments, clubhouse or buildings beyond 3 floors in height – for such purpose use OPC 43/53 grade cement. Purchase to ensure that this guideline is strictly followed. Order PPC/PSC in all villa projects in place of OPC unless and otherwise mentioned in requisition, with reasons. Project managers must ensure that use of OPC cement must be mentioned in requisition.

Soham Modi.