

STORES & SUPPLIES

30.1 Detailed procedure regarding purchase of various stores required for use in the public service is laid down in Chapter 8 (Stores) of General Financial Rules 1963 (Rules 99 to 128). All purchase of stores should be regulated in strict conformity with these rules and the subsidiary instructions contained in the General Financial Rules and issued by the Government of India as well CBI, Head Office from time to time.

30.2 **Standards of financial propriety**

Every officer incurring or authorising expenditure from public money should be guided by high standards of propriety. Every officer should also enforce financial order and strict economy at every step and should see that relevant financial rules and regulations are observed by his own office and by subordinate disbursing officers. Generally, following principles are emphasized:

- i) Every officer is expected to exercise same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money.
- ii) Expenditure should not be prima facie more than the occasion demands.
- iii) No authority to exercise power of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.
- iv) Expenditure should not be incurred for benefit of particular person or a section of people unless :
 - a) a claim for the amount could be enforced in a court of law .
 - b) the expenditure is in pursuance of a recognised policy or custom.
- v) The amount of allowances granted to meet expenditure of a particular type should be so regulated that the allowances are not on the whole a source of profit to the recipients.
- vi) Responsibility and accountability of every authority delegated with financial powers to procure any item or service on government account is total and indivisible. He will have public interest uppermost in his mind while making a procurement decision. This responsibility is not discharged merely by the selection of the cheapest offer but must conform to the following yard sticks of financial propriety:

- a) Whether the offers have been invited in accordance with governing rules and after following a fair and reasonable procedure in the prevailing circumstances.
- b) Whether the authority is satisfied that the selected offer will adequately meet the requirement for which it is being procured.
- c) Whether the price on offer is reasonable and consistent with the quality required.
- d) Above all, whether the offer being accepted is the most appropriate one taking all relevant factors into account and in keeping with the standards of financial propriety.

vii) Wherever called for, the concerned authority must place on record in precise terms, the considerations which weighed with it while taking the procurement decision.

30.3 A controlling officer shall see that not only the total expenditure is kept within the limits of the authorised grants or appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.

30.4 With a view to have greater devolution of financial responsibility and expeditious disposal of work certain administrative and financial powers have been delegated to all Branch Ss.P working as Head of Office, Dy. Inspectors General of Police and all Joint Directors in CBI(including Zonal JDs). The exercise of these powers is subject to restrictions, stipulations or instructions that may be issued by the Government as well CBI Head Office from time to time and the relevant terms and conditions laid down in the various Rules i.e. DFPRs, GFRs, FRs & SRs etc. and specially contained in Column 4 of the Annexure to Schedule V to the Delegation of Financial Powers Rules, 1978. This is further subject to availability of funds in the appropriate Head of Accounts in the respective budget allocation of the branches.

30.5 Every officer who has been delegated powers should see that all related provisions of the General Financial Rules, Delegation of Financial Powers Rules, Orders of Departmental delegations of financial powers and general instructions issued from time to time are complied with before ordering the purchases. The financial proposal beyond the powers of Joint Director of concerned Zone may be sent to Head Office with his recommendations.

30.6 Rules 102 to 107 General Financial Rules, 1963, are relevant for purchase and acquisition of stores for day-to-day use in the public service and other stores for running of the offices.

30.7 30.7 In the light of instructions contained in Rule 103 of the General Financial Rules, consumable stores for day-to-day use of the office will be purchased on the basis of periodical requirements as noted in the rule.

30.8 Before making purchases, the following points may be kept in view :

- (i) Economy instructions issued by the government and Head of Department from time to time.
- (ii) CVC guidelines on the subject issued from time to time.
- (iii) Purchase should be made in the most economical manner in accordance with the definite requirements of the office.
- (iv) Purchases should be resorted to only after getting approval of competent authority. Officer ordering for any purchase without obtaining the approval of the competent authority shall be responsible and accountable for the same.
- (v) Purchases should not be split up to avoid the necessity for obtaining the sanction of higher authority required with reference to the total amount of the orders.
- (vi) Whether the offers have been invited in accordance with governing rules and after following a fair and reasonable procedure.
- (vii) Whether the authority is satisfied that the selected offer will adequately meet the requirement for which it is being procured.
- (viii) Whether the price on offer is reasonable and consistent with the quality required.
- (ix) Whether the offer being accepted is the most appropriate one taking all relevant factors into account and in keeping with the standards of financial propriety.
- (x) Whether sufficient funds are available in the particular head of account.
- (xi) Where scales of stores have been laid down by virtue of rule/instructions, it may be followed strictly and limits should not exceed in any case. It should be certified in the proposal itself that the prescribed scales or limits have not been exceeded.
- (xii) Purchases of articles or group of articles upto Rs.1,000/- on each occasion can be made without inviting tenders/ quotations.
- (xiii) Purchase of stores costing between Rs. 1,000 - 10,000 can be made by the Heads of Department without calling tenders or pre-select DGS&D Rate Contract items. However, in such cases, quotations must be invited.
- (xiv) The open tender system that is invitation to tender by public advertisement should be used in all cases in which the estimated value of demand is Rs.2 lakh and above.

- (xv) In terms of directives issued by the Government of India, Department of Personnel & Training from time to time all government departments and their attached and subordinate offices are required to purchase stationery, furniture and other office requirements from M/s Kendriya Bhandar, M/s NCCF and Super Bazar (where available). In the case of purchases from these agencies, the procedure of calling of tenders/quotations as laid down in General Financial Rules have been waived by the Ministry of Finance. Purchases from the open market is resorted to only after obtaining 'No Objection Certificate' from these agencies and after observing codal formalities as laid down in the Chapter-8 of the General Financial Rules, 1963. Minimum three quotations are necessary if the purchases are to be made from the open market. Single quotation can be considered if the article is of a proprietary nature i.e. when it is to the knowledge of the procuring agency that only a particular firm is the manufacturer of the stores demanded.
- (xvi) In case of purchases through DGS&D rate contract, supply order should be placed in the prescribed form (DGS&D-131). No direct payment should be made to the firm by the consignee.

30.9 **Receipt of Stores**

All stores received shall be examined, counted, measured or weighed, as the case may be, when delivery is taken and the person receiving the store shall be required to give a certificate that he has actually received the material and recorded them in the appropriate stock register. Before making any payment of bill, a certificate to that effect recorded on the bill. After the close of each month, the balance should be physically checked by a Gazetted Officer to be nominated by the Head of Office and a certificate to this effect recorded thereon.

30.10 **Stationery stores and forms**

In the beginning of each financial year, the branches are required to send the indents to the respective Regional Stationery Depots of the Stationery and Printing Department of the Government of India and the Manager Forms Store, Calcutta. If the stationery articles indented are not supplied in time or in full, local purchase may become necessary. However, before resorting to local purchase, the Government of India Stationery Office should be approached for supplies. If they are unable to supply the necessary stationery, a 'No objection certificate' should be obtained from them before resorting to local purchase.

30.11 **Consumable stores**

The consumable stores will be issued to the staff on receipt of requisitions signed by a Gazetted officer, or the Head Clerk in the case of branches. These requisitions will first be scrutinized by the dealing assistant in regard to admissibility and availability of stores and submitted to SP (or an officer

nominated by him in this behalf) for orders. After getting SP's orders, the items will be issued to the person concerned against his signatures.

30.12 **Maintenance of Inventory of Deadstock:** *(GFR 112)*

An inventory of the deadstock showing the number received, the number disposed off (by transfer, loss, sale etc.) and the balance in hand for each kind of article shall be maintained in all offices.

30.13 **Physical verification of stores:***(GFR 116(1) / 118)*

A physical verification of all stores should be made in the month of April every year. It shall not be entrusted to a person who is the custodian, storekeeper and a person who is not conversant with the classification, nomenclature and technique of the stores to be verified. The following instructions shall invariably be observed:

- i) Verification shall always be made in the presence of person responsible for the custody of the stores or of a responsible person deputed by him.
- ii) All discrepancies noticed shall be brought to account immediately so that the stores account may represent the true state of the stores ; and
- iii) Shortage and damages, as well as unserviceable stores shall be reported immediately to the authority competent to write off the loss.

30.13.1 Physical verification of Library books may be carried out in accordance with the Government of India's decision below Rule 116(2) of General Financial Rules, 1963.

30.14 **Surplus/obsolete and unserviceable store:***(GFR 124(1))*

30.14.1 While declaring an item surplus/obsolete or unserviceable the following important points may be kept in view:

- i) Authority competent to purchase stores shall be competent to declare the store as obsolete/surplus/unserviceable.
- ii) An item may be declared obsolete/surplus/unserviceable if it is no longer required by the office. Reasons for the same should be recorded in the board proceedings.
- iii) An item remaining in stock for over a year shall be considered surplus unless there is any good reason to treat that otherwise.
- iv) Prescribed or stipulated life period of the stores should be taken into account.

- v) In case such period is not prescribed/stipulated or it is not over, the committee should examine the condition of stores and record suitable reasons.
- vi) Where the life period has been prescribed or stipulated and is already over, it should normally be taken as enough ground for declaring the item obsolete and unserviceable. However, the condition of the item should still be thoroughly examined by the committee to see whether the item could be put to further use.
- vii) In other cases, where the 'life period' is not over or no life period^{1[1]} has been prescribed or stipulated the reasons for declaring the item obsolete/surplus or unserviceable should be clearly brought out in the board proceedings.
- viii) In case of loss due to negligence, fraud or mischief on the part of any government servant, responsibility should be fixed and losses made good. In order to identify the surplus/obsolete and unserviceable store items lying in office premises of a CBI branch/Unit/Zone/Section a periodical inspection of stores should be made six monthly by every office and a report of such store items should be prepared and submitted to the competent authority.

30.14.2 The items so identified should be examined by a committee at appropriate level to be appointed by the competent authority. Branches should constitute their own condemnation committee as per provision of Rule 124 of GFRs. The committee shall consist of not less than three members of the department, locally available as far as possible of whom one will be from administration and one will be technical member having knowledge of the store. Third member may be from finance if locally available, otherwise the competent authority may nominate any suitable and experienced officer. The committee will submit its report in Form GFR-17 for necessary action by the competent authority.

30.14.3 The stores which are reported to be surplus/ obsolete or unserviceable by the committee may be declared as such in accordance with the procedure laid down in Rule 124(1) and ordered to be disposed off by the authority. The committee in its report should also specify the manner in which the stores are to be disposed off.

30.14.4 It may be ensured that the time-lag between the declaration and actual disposal of stores is minimized and proper protection is given to all such store items till their removal by the purchaser.

^{1[1]} Concerned office may prescribe the life period of stores in consultation with the manufacturers and CBI, HO.

30.14.5 The general instructions relating to disposal of obsolete, surplus or unserviceable stores contained in GFRs should invariably be followed by all officers entrusted with the work.

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