

# Punjab State AIDS Control Society

## Standard Operating Procedure for Integrated Demand to Delivery

- Purpose: The purpose of this Standard Operating Procedure (SOP) is to establish a consistent and transparent procurement process for the various divisions operating under PSACS.
- Scope: This SOP serves as a guidance document for staff of all divisions of Punjab State AIDS Control Society, who initiate, assess, and submit verified proposals for procurement of goods and services.
- Procedure: The workflow from demand from divisions to procurement of items to end users will be as per the following steps:

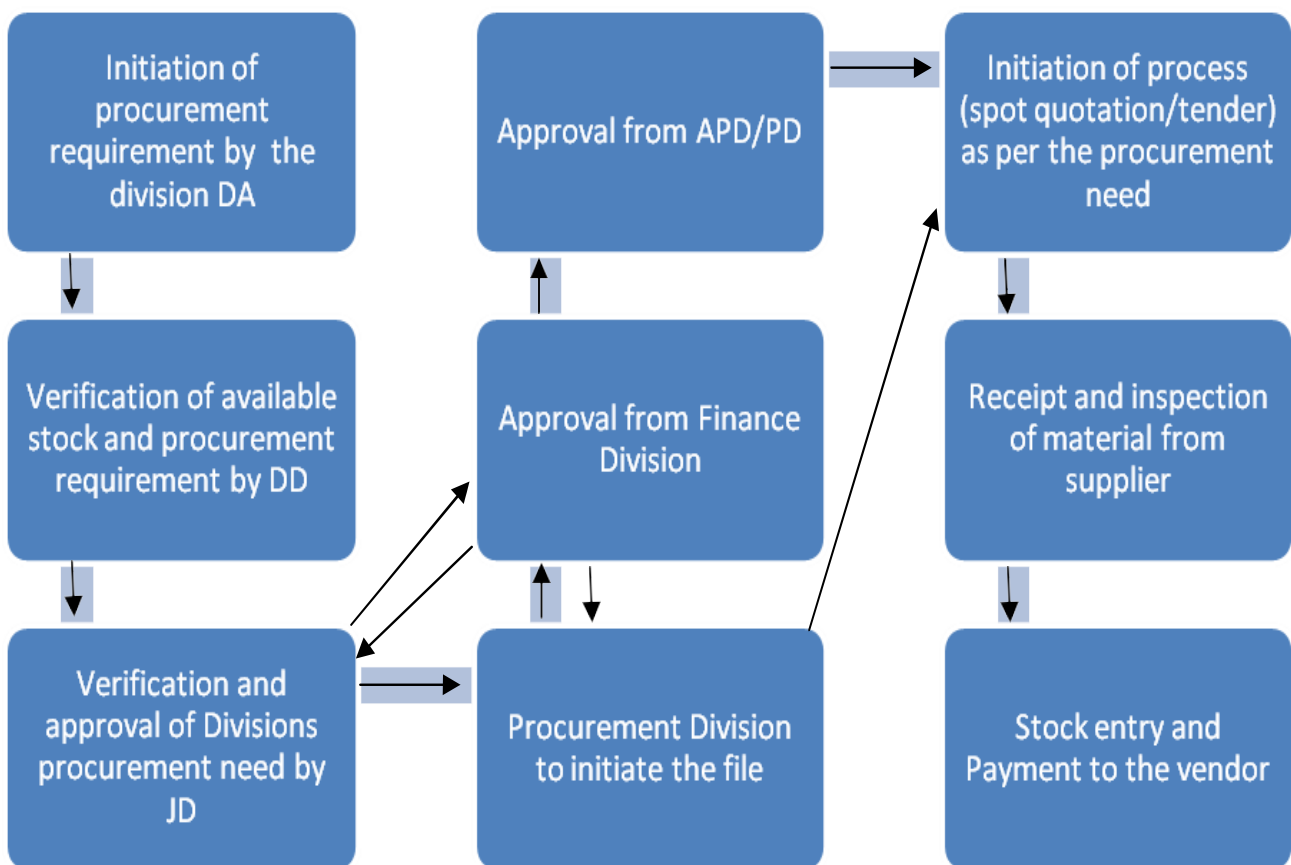
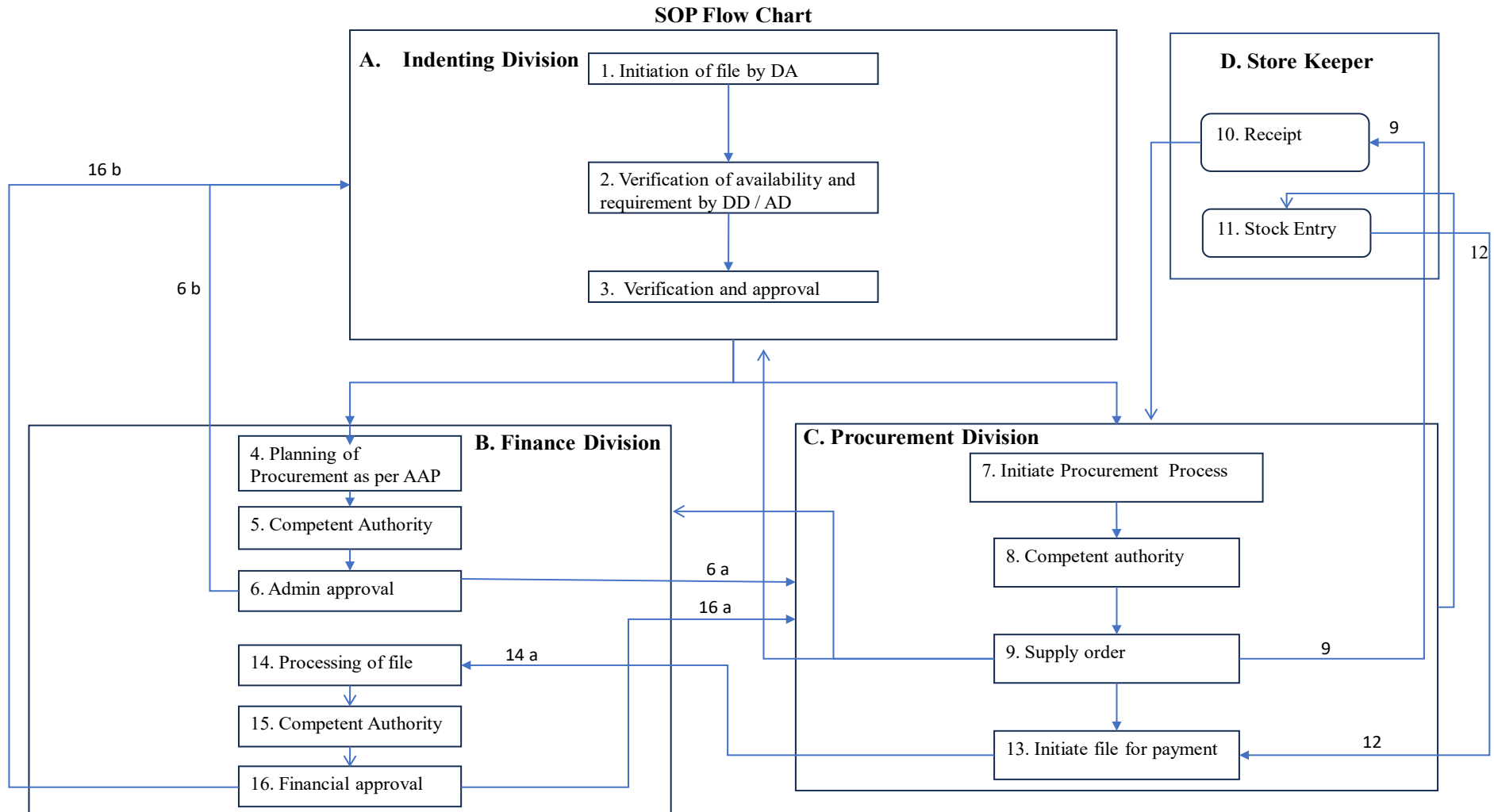


Figure 1: Overview of workflow.



**Figure 2: Detailed steps from demand to delivery.**

### **Step wise movement of procurement file as per flow chart.**

1. Respective division DA initiates proposal for procurement of goods or services.
2. Assistant Director / Deputy Director will assess the proposal and give their input.
3. File is verified by the Joint Director of the division will examine the proposal.
4. File will be moved to the Finance division for administrative approval as per AAP.
5. After examining the proposal along with the approved AAP, the finance division will submit the file to the competent authority.
6. On the approval of competent authority, the finance division will send the sanction to the concerned division
7. After admin approval procurement division initiates the procurement process.
8. For all the procurements either on comparison through GeM, PHSC rate contract(RC), other state RCs, or local purchase the proposal may be submitted for approval of Competent authority.
9. Supply orders may be shared with the indenting program division, Finance division, and storekeeper.
10. After receiving the bill for good or service, the storekeeper shall send the good or service for evaluation to the inspection team.
11. Goods or Services received at the store after inspection may be entered in the respective stock register.
12. The file with the admin approval, approval of procurement procedure, supply order, testing report, inspection note, and stock entry may be sent to the procurement division.
13. Procurement division now initiates the file for payment to the finance division.
14. Finance division on receipt of the file from the procurement division for payment shall process it while examining the availability of funds under the relevant head and terms and conditions of the payment
15. After processing and verification, the proposal is sent for financial approval from the competent authority.
16. On receipt of financial approval and doing all the formalities regarding the release of payment etc, the file is sent back to the respective division that has raised the demand.

## **Step-wise movement of Procurement files**

### **A. Indenting Division**

#### **1. Responsibility of Divisional Assistant:**

A Divisional assistant initiates a proposal for procurement of goods or services. He / She will ensure the inclusion of the following in the proposal:

- 1.1** PUC: The proposal must contain a "Paper Under Consideration" which facilitates the decision-making authority to arrive at an accurate decision. In the case of a procurement proposal, PUC can be a direction from NACO (National AIDS Control Organization) to procure an item or it can be need-based demand of an item submitted by a field facility.
- 1.2** Item to be procured: A proposal should state the item that needs to be procured. It could be either goods or services, and the scope of service to be hired should be documented.
- 1.3** Forecasting and Quantification: This part of the proposal must be mentioned in tabular form. The average monthly consumption of products and consumables should be mentioned in the table. Current Stock in hand (both at the field level and in the SACS Store) should be mentioned in the table. It must be mentioned in the table how much quantity of consumables is being proposed by the division based on programmatic data and for how much duration the proposed quantity will be sufficient.
- 1.4** Technical Specifications: Technical specification is a set of documented requirements in terms of performance or description or reference standard to be satisfied by a material, design, product, or service. Technical specifications are either issued by NACO or these could be drafted by constituting a technical committee of 3 members (technical experts of the concerned field). Any procurement proposal initiated from the division must contain technical specifications of goods or services to be procured.
- 1.5** Budget Head: The specific budget head sanctioned in the approved annual action plan of the relevant financial year from which the expenditure for proposed procurement

will be met should be mentioned in the proposal.

- 1.6 Relevant documents: Copies of relevant documents as per above mentioned from point (i) to (v) must be annexed with the proposal.
- 1.7 The divisional assistant will ensure that steps (i) to (vi) mentioned above have been complied with and then will submit the proposal to the next-in-line officer (Assistant Director / Deputy Director whichever is applicable as per division).

## **2. Responsibility of an Assistant Director /Deputy Director:**

- 2.1 The assistant director and deputy director of the division will assess the proposal and give their inputs on the following aspects before submitting the proposal to the Joint Director:
- 2.2 Verification of Forecasting and Quantification: The AD / DD will verify that the quantity and duration mentioned in the proposal are accurate by referring to the programmatic data.
- 2.3 Justification: He/she will also refer to previous files of the division and mention about usual lead time of the item. He/she will comment on the justification of the demand.
- 2.4 Timeline: AD/DD will specify the duration by which the supply should be received. He/ She will mention existing inventory, the duration for which existing inventory will be sustained, and the requirement of supply before consumption of existing stock. Also, the frequency of supply ordered i.e. required all or periodic supply every quarter should be clarified.
- 2.5 Collective demand from all facilities for similar items: In case items of similarity have been demanded by multiple facilities, AD/DD will ensure that the same has been clubbed and a collective demand (quantity) will be proposed for procurement.
- 2.6 He/she will also specify item-wise the location where the consignment will be delivered (SACS store, State Reference Lab, or Walk Cold Rooms in the State or at facility level).
- 2.7 If there are any specific packaging instructions, those that need to be mentioned in the supply order must be submitted by AD/DD.

**2.8** The AD/DD will ensure that steps (i) to (vii) mentioned above have been complied with and he/she has examined the proposal submitted by the divisional assistant and then will submit the proposal to the joint director of the division.

**3. Responsibility of a Joint Director/division head:**

**3.1** Verification: The Joint director of the division or the division head will examine the proposal. To ensure that the proposal is complete in all aspects, the Joint director will submit the following checklist in his/her note in tabular form :

<b>Sr. No</b>	<b>Document/information</b>	<b>Submitted / Not submitted</b>	<b>Remarks If any</b>
1.	PUC		
2.	Item Name		
3.	Quantity required		
4.	Inventory		
5.	Technical specifications		
6.	Justification of demand		
7.	Timeline		
8.	Consignee details		
9.	Budget Head		
10.	Packaging instructions (if any)		
11.	Frequency of supply		

- 3.2 The Joint director will comment if any information or relevant document is missing and will direct the DA/AD/DD of the respective division to include the concerned document /information in the proposal.
- 3.3 If the proposal is complete in all aspects, then the Joint director will verify at the end that the proposal has been examined by him/her as per the above checklist and is complete in all aspects.
- 3.4 The Joint director of the SACS division will retain one copy of the proposal with the division itself and will forward 2 copies, one each to the Finance and Procurement divisions respectively.

## **B. Finance Division**

After receiving the proposal from the concerned division, the Finance division shall process the file for administrative approval :-

### **4. Planning of Procurement as per AAP.**

The division shall verify if the proposal is as per AAP. It shall ensure that the concerned division has given proper justification and budgetary provisions.

5. Finance division will then independently examine the proposal as per Financial Rules, Government of Punjab and India instructions, and NACO guidelines on a separate file and submit it to the competent authority for approval.
6. On the approval of competent authority, the Finance division will send the final sanction to the concerned division along with the original file received from the division.

## **C. Procurement Division**

7. The procurement Division shall procure a product and Services as per the demand of the program divisions of PSACS as per their urgency/timeline and specifications. The branch shall comply with Punjab transparency in Public Procurement Act and Rules 2022 and also highlight which section and rule is being applied for each procurement.

- 7.1 Demand from the division is analyzed by the Division head of Procurement based on:
  - Quantity

- Specifications Intact for all the demanded items.
- Timeline
- Budget head

**7.2** Demand is moved to the Assistant to assess:

Rough cost of the items based on the market survey, last purchase price.

Categorize the items according to the rough cost of each item and the total cost for procuring all items.

**7.3** The procurement process may be laid down according to the cost of the items. Procurement Process based on the cost of the product.

**7.3.1** Item less than 25000- If the item is less than 25000 INR then it may be directly purchased from the GeM portal subject to the condition that it meets the requisite specifications of the demanded item. If an item is not available on the GeM portal and is needed on an urgent basis then may directly be purchased from the local market with the certification that the item purchased is as per specifications and purchase data reasonable rate.

**7.3.2** Item cost between 25000 to 2.5 lakh: There are different methodologies to procure items whose cost ranges between INR 25,000 to 2.5 lakh.

**7.3.2.1** On the GeM portal: As per procurement rules of the GeM portal available and amended from time to time and Punjab Transparency in Public.

Procurement Act 2019 and Rules 2022.

**7.3.2.2** If an item is not available on the Gem portal then the branch shall look for the prevailing rate contracts of the State of Punjab / other State Health Agency rate Contracts / AIIMS / PGI / Govt. Medical college rate contracts. They shall make a comparison of the same taking care of the specifications and model equality. However, as far as possible, preference shall be given to PHSC rate contracts. If a PHSC rate contract is not available, then the branch shall search for the other state rate contracts and propose a 4-month order to be placed on the other state RC having the lowest prevailing rate. Also,



the branch shall simultaneously inform the PHSC through the program division that PHSC may initiate the RC process for the items required. After 3 months if the PHSC does not have a rate contract then PSACS shall place an order for another 4 months shall be placed from the L1 vendor with the lowest prevailing RC at the time of issuance of the order. This technique is based on GFR rules for procurement amended from time to time.

**7.3.2.3** Through Local quotations/Spot Committee: For Procurement of small items/ low-cost items for which calling quotations through press publication is not a viable option or in case of emergent requirements for which the total value of procurement does not exceed Rs.2.5 lakh as per GFR 155 rules of procurement and amendments from time to time

**7.3.2.4** Closed System / Single Source is contracting without competition (single source) and may be an appropriate method under the circumstances when standardization of equipment to be compatible with existing equipment, the Punjab transparency in public procurement rules 2022, for procurement from a single source may be followed.

#### **7.4** Items above 5,00,000 INR

**7.4.1** Limited tendering: For an amount ranging from 5.0 lakhs to 25 lakhs as per GFR limited tendering may be done. This is calling quotations from known sources or suppliers. This method may be used with urgency and with justification and approval of the competent authority. This is as per the Punjab transparency in Public Procurement Rules 2022 and as amended from time to time.

**7.4.2** Two-stage bidding on the E-procurement portal: The complete procedure for two-stage procurement is laid in 2022 procurement rules i.e. through SBD. Before awarding the contract, the rate comparison with prevailing other state

RCs may also be done and due negotiation may be done with the L1 bidder to avoid the purchases at inflated rates.

**7.4.3** Gem E bidding: If the product is available on GeM with requisite specifications and its total cost exceeds 5.0 lakhs due to quantity, it may be procured by doing the bidding on the GeM portal.

**7.4.4** Other State RCs: Items required on an urgent basis then items / products demanded may be looked into other state rate contracts. The rest of the procedure may be followed as mentioned in 4B (II).

**7.4.5** Closed System /Single Source is contracting without competition (single source) and may be an appropriate method under the circumstances when standardization of equipment to be compatible with existing equipment, for procurement from a single source may be followed. The above methodologies are by the Punjab Transparency in Public Procurement Rules 2022 amended from time to time.

**8. With the rough cost estimate a proposal may be put up for the approval of the procedure to be followed for procurement from as mentioned on Point 4 subject to the receipt of administrative approval**

**8.1** For the items to be procured on the GeM portal by comparison (4B(1)) and 4C a comparison of rate contracts and local quotations may be sent to the standard approved committee comprising:

**8.1.1** Indenting program division head.

**8.1.2** Division head of other division as expert (Medicine-JD-CST, Diagnostic Kits – JD - BSD, Consumables – JD - Prevention, Printing – JD IEC, IT hardware, DD(SI) / AD (SI)) Further if CST, BSD would be indenting division then JD, BTS may be second member and if Prevention and IEC would be indenting division then (SI) may be the second member.

**8.1.3** Third member would be Division Head of Finance / representative.

- 8.1.4** The comparative statement prepared on GeM may be shared with the approved committee on the day it is prepared. After evaluation and on approval, the same may be returned to the procurement division within 2 days as the comparative is valid for 10 days only. The same committee will inspect the material on its receipt in the stores PSACS.
- 8.1.5** For all the procurements either on comparison through GeM, other state RC - (4BII&4CIV), or local purchase, as the approved committee approves the comparison the proposal with exact cost and all the necessary documentation may be submitted for approval of competent authority to place an order to the L1 firm.
- 8.1.6** For the items procured on the GeM E-bidding, Two stage Tendering, Limited Tendering, rate contract Tendering, a Standing Purchase committee comprising APD, Indenting division head, DD/AD of indenting division, External expert (BTO-BTS division, SMO-ART / ICTC, Media Incharge NHM for IEC, MO / TSU-Prevention), division head finance and Division Head Procurement (Member Secretary) would vet the tender document /EOI and technically evaluate the received bids. For opening of the financial bids committee proposed may be considered.
- 8.2** After vetting the bidding document proposal may be send to the competent authority for approval to float the tender / Bid on the E-procurement portal /GeM portal.
- (NOTE: Competent Authority: Upto 5 lakh INR-APD, PSACS, From 5.0 lakhs to 50 lakhs - PD, PSACS, for 50 lakh and above-PSH&FW cum Chairman PSACS). This was approved in the EC meeting of PSACS.
- 8.3** Pre-bid meeting: A pre-bid meeting may be held for answering to the queries of the prospective bidders / and to issue clarifications after the publication of the tender notice. This meeting may be attended by APD, the Division Head (Indenting division), the Finance head, and the head of the procurement division. Pre-bid meetings should be scheduled between the dates after the publication of the tender notice and well before the last date for submission of bids.

**8.4** Evaluation of Bid: The technical bids may be evaluated by the Standing Purchase Committee as proposed as per the Punjab Transparency in Public Procurement Rules 2022, amended from time to time. The financial bids of the responsive bidders will be opened by the committee proposed at the point above.

**8.5** Award of order:

**8.5.1** For the items worth less than 5.0 lakhs and GeM procurement by comparative. After the approval of the comparative and approval to place an order, a GeM order may be placed.

**8.5.2** For the items on the Rate contract of another state, the lowest prevailing rates of the market may be awarded the order (subject to the condition the firm gives its consent for supply otherwise the prevailing rates may be asked for the supply. This activity is to be done before sending the proposal for approval of competent authority to place an order).

**8.5.3** For the Tenders, E-bids, and RCs floated at the PSACS level, the award of contract may be given to the L1 firm after due comparison with prevailing market rates and will be certified for the rate reasonability by the established committee and on approval of the competent authority.

**9.** The award of contract / Supply order may be shared with the Finance division PSACS and with the indenting program division and Store division PSACS through electronic media. The award of the contract may also be shared with the SI division to upload on the website.

#### **D. Store Division**

**10.** Receipt of material:

**10.1** If the consignee is store division PSACS, then after counting the material received and material with requisite information as mentioned on the supply order may be kept in store and the receipt report may be entered on the bill by the store officer and handed over to the procurement division on the same day of the receipt.

**10.2** If the consignee is the peripheral unit then the Bill may be entered in their stock

register and the Consignee may give the Consignment Receipt and Acceptance report (CRAC). The consignee may send the invoice, stock entry record, and CRAC to the office of PSACS within 10 working days from the receipt of the goods.

- 10.3** Material like medicines is accepted only after the submission of the NABL report; even after that, the material may be tested from the State Drug Lab, Kharar, or any impaneled lab of PHSC if needed. The diagnostic kits are evaluated either from the SRL lab at Patiala, Amritsar, or from the STI reference lab PGIMER, Chandigarh. Blood Bags may be evaluated from the model blood bank, Amritsar, or the blood banks at GMC, Patiala, and Faridkot.

### **Inspection of Material**

After the receipt of bills from the Stores PSACS, the material is sent for evaluations mentioned on 15(C). Upon the receipt of an evaluation report, all the records (Supply order, Invoice, evaluation report) may be shared with the Inspection team. The inspection team visits the premises of Store PSACS and physically checks the item record. The team checks whether the material received is as per specifications given in the work order, whether all the labeling and printing are as per the instructions given in the supply order, and also analytically evaluates their part of testing. If all the credentials are found in order then the inspection team approves the material. The inspection team submits the inspection report and all documents to the Procurement division for further action.

#### **Note:**

Store division will follow the SOPs as mentioned in the manual of supply chain management provided by NACO.

### **11. Stock Entry:**

- 11.1** Material received at Store PSACS after inspection may be entered in the respective Stock registers.
- 11.2** Material received at Peripheral units, on submission of Stock entry and CRAC may be entered in the respective stock registers.

## **C. Procurement Division**

### **13. Initiating file for payment**

#### **13.1 Financial Approval:**

The file with the administrative approval, approval of procurement procedure, Supply order, testing report, inspection note, and stock entry the note may be sent to the finance division PSACS with a complete proposal and deductions of LD, service level agreements, key performance indicators and testing charges for financial approval of the competent authority.

#### **13.2 Sanction Order:**

After the financial approval when the file is received in the procurement division, the procurement division issues an action order as per the expense head provided by the program division and as per the approval of the amount that is to be credited in the account that was furnished by the supplier. The Sanction order may also be shared with the program division for information and for maintenance of fund status.

#### **13.3 Hiring of Services:**

For procurement of services (Consulting and Non-Consulting): For consultation services, the Transparency in Punjab Procurement Rules 2022 has comprehensive data and methodology given. For Non - consultation services, General Financial Rules for Procurement has a complete layout plan for the same. More or less the procurement of services is done on the lines of procurement of product. Punjab Transparency in public Procurement Rules 2022 and GFR rules amended from time to time may be followed for hiring of services.

## **B. Finance Division**

**14.** On receipt of the file from the procurement division for payment, the finance division shall ensure that:-

The purchases have been made as per administrative approval:

#### **14.1 All the requisite documents are intact.**

**14.2** The bills have been duly verified and entered into the stock register.

**15.** After ensuring all the formalities, the proposal is sent for financial approval to the competent authorities. On receipt of financial approval from the authorities, the file is sent back to the procurement division to submit the Sanction Order along with all the original bills in hard copy to the finance division for voucher maintenance.

**16. Release of Payment:** Now the concerned division will send the e-file along with hard file (Contains all necessary original supporting documents for their lease of payment to the Finance division) and the finance division will:-

**16.1** Release the payment to the concerned party through PFMS.

**16.2** Inform about the completion of payment to the concerned division and the procurement division.