

ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION

OFFICE OF THE  
VICE-CHAIRMAN & MANAGING DIRECTOR  
MUSHIRABAD:HYDERABAD  
Dt:13.2.2004.

NO:PO@I/TEST-C/CIRT/2003-04/SPD

**CIRCULAR NO: 4/2003-04/SPD DT.13.2.2004.**

Sub: Testing of Samples – Reg.

Ref: 1. Circular No: 18 dt.18.12.1998 of ED(E). — 08/1 to H  
2. Circular No: 6/2000-MED dt.27.3.2000.

Vide circular cited at reference 2, detailed guidelines were issued on the procedure to be followed in ensuring quality of spares and materials purchased by the Corporation.

Due to intense competition prevailing in the Automobile Sector, firms are vying with each other to offer lowest prices. There is a wide gap in the prices offered by the lowest suitable supplier and the reputed firms on whom the Corporation has been placing Orders based on their supply performance, quality of supplies all these years. Hence, the Corporation is taking advantage of the lowest prices offered by various upcoming firms. In this scenario, it is of utmost importance that the quality of the supplies made by such firms is assured through regular sample testing. Hence, testing of samples for quality assurance has assumed greater importance in this competitive environment.

It is observed by the Provisioning Committee while taking procurement decisions, that sufficient test reports of the firms on whom orders were placed previously are not available since the Zonal Stores have not sent sufficient number of samples for testing during the period of supplies. In most cases, only one or two test reports of each firm are available which makes procurement decision making a difficult task.

The objective of sending samples for testing to laboratories including CIRT is to obtain test reports at the earliest and check whether the incoming material is adhering to the specifications of APSRTC. To achieve this objective, all the stipulated procedures are to be observed and no delay should be allowed to take place at any stage. As we are spending a huge amount of about Rs. 62 lakhs approx. per annum for testing of samples to achieve the above purpose, it is essential on the part of every official concerned to ensure timely and prompt actions at every stage to expedite sending of samples collection of test reports and follow up action. Similarly there shall not be any delay in registering the claims and pursuing for the settlement.

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Vide Circular cited at reference 1, and also as per the Stores & Purchase Manual, it was clearly specified that:

1. Samples from all the Vendors shall be sent for testing uniformly.
2. Items falling under groups 'A' & 'B' which are of critical nature shall be sent for testing once in 6 months. Items falling under group 'C' shall be sent for testing once in a year.

Corporation has 6 Zonal Stores, one Regional Stores at Tirupathi and one Stores at BBW/MYP. As per the above instructions, if only all the Stores send samples every 6 months in group 'A' & 'B' we should be having 14 test reports in a year for each supplier and additionally 2 test reports for body items sent for testing by BBW/MYP. Similarly in the case of group 'C' items, we should be having 7 test reports at least in a year for each supplier.

Obviously, the meagre number of test reports available with the Contract Cell and the MED at Corporate office indicates that the Zonal Stores are not sending samples for testing from the supplies made by the firms.

In order to ensure uniform testing of samples of all items and suppliers, detailed guidelines were again reiterated vide Circular cited at reference 2.

In spite of clear guidelines available on testing of samples, the Controller of Zonal Stores are not reviewing the implementation of the above Circular instructions. Hence, the following instructions are issued to ensure implementation of the above circular instructions.

#### **INSTRUCTIONS FOR IMPROVED QUALITY WATCH**

1. In order to ensure that more samples of firms with higher share of supplies are sent for testing, it is decided to bifurcate samples testing as follows:
  - a) 50% & more than 50% share : 2 test samples with even frequency for group 'A' & 'B' and 1 test sample for group 'C' items once in 6 months.  
of supplies
  - b) Less than 50% share of : 1 test sample for group 'A' & 'B' once in 6 months and 1 test sample for group 'C' items once in a year.  
supplies

The items under group A, B & C are also modified and certain items not in use are deleted. The revised list is at ANNEXURE- I.

2. Vendor wise and Item group/item wise registers are to be maintained in Receipt Section to ensure the prescribed frequency of picking up of sample as

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per the groups annexed. An entry shall be made in the above Register with regard to details of Name of the Firm, Purchase Order No. & Date, Description of the Item, Class, Specifications etc. as and when the Purchase Order is received by Stores Officer ® for sending samples to CIRT and for follow up action.

3. The SO®/SO(D&T) shall endorse on every Inspection Memo the date when the sample of that particular firm was last sent for testing. This facility is already available in the OLIMS software. The date on which sample was last sent has to be invariably entered into the computer regularly to obtain such information on the Inspection Memo. This will enable the inspecting official as well as SO®/SO(D&T) to ensure that the sample from the supplies is picked up as specified above.

4. The inspecting official shall insist for the date when the sample of the particular firm was last picked up to ensure that the sample is sent for testing once in 6 months or 1 year as the case be. Inspection Memos sent without these details shall not be accepted by the inspecting official.

5. On inspection and suitability of the material by the Works Manager, though it is desirable that Works Manager/AME(T) should pick up the sample from the supplies; in certain cases the COS also may send them for testing so as to ensure sending of more no. of samples for testing to CIRT or any authorized Laboratory.

6. This sample shall be sealed and then a covering letter is to be prepared for dispatch of the laboratory concerned by SO®.

7. The covering letter shall contain the following details.

- ❖ Item description.
- ❖ Specification (The ordered specification shall only be made applicable as per PC Minutes or Purchase Order).
- ❖ ASRTU Contract reference (if any).
- ❖ Minimum quantity specified for testing.
- ❖ Any other. (In case test reports are required immediately, a request can be made to get the sample tested on out of turn basis).

8. Due to change in the policy of CIRT, the testing charges shall accompany the samples at the time of dispatch. In this regard, the tariff of the test charges (effective 01.4.2002) for different items was already circulated to the COSs. The same is at Annexure-II. Consequent upon the introduction of Service Tax, Tax at applicable rate in addition to the above testing charges shall be paid to the CIRT.

9. The Controller of Stores shall review on a fortnightly basis, the number of inspection memos raised and the number of samples picked up for testing

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during the fortnight to ensure implementation of circular instructions. The item wise and vendor wise registers with upto date posting of particulars of samples sent shall be reviewed fortnightly. The COS&SO®/SO(D&T) shall review the status of reports pending from test labs on fortnightly basis and follow up with the CIRT/Test house to ensure samples are tested without delay and test reports are obtained promptly.

10. The COS shall send a monthly report to CCOS & CME(O) on the number of samples sent for testing, firm wise & item wise along with status of earlier test samples results to have a review on the testing activity.

11. There is a likelihood that test reports received are not forwarded to Head Office due to which the quality of supplies is not reflected at Corporate level. The COSs shall invariably forward Xerox copies of test reports to CME(O) and CCOS/HO for consolidation at Corporate office and to take necessary action on those firms whose quality of materials is found to be inferior.

12. The Contract Cell shall call for details of pending claims from the COSs prior to the expiry date of the Bank Guarantee furnished by the supplier as Security Deposit and then only take suitable and quick action of invocation or refund of the Security Deposit. A proforma of the clearance certificate is given at Annexure -III of this Circular.

13. In case of trial Purchase Order, samples picked up from the supplies shall be sent to the Laboratory only after collection of the test charges in advance.

14. While initiating action for arrangement of advance payment or R.O. payment for the last supply of the Purchase Order, the SO® shall certify that there are no outstanding amounts due from the firm against the Purchase Order.

15. While lodging the Claims on some RC firms with regards to any unsettled claims, the COS of the Zones shall inform the Secretary, ASRTU (by enclosing all the details and documentary evidences like Test Reports, Purchase Order copies, RC reference, Specifications etc.) so that the Sub-Committee for Claims at ASRTU takes up the matter and gets the claims of any nature settled by their intervention at ASRTU level. Similarly, the Dy CAOs of the Zones are advised to verify the claims pending of any nature (from Account Head Nos. A 2416, 2406, 2407) and watch the payments due to such firms, so that payments can be withheld and the claims can be got settled in time.

16. The CE(IE&COM) shall arrange to incorporate in the OLIMS software suitably, so that information on sending of samples for testing at laboratories and related reports are generated through computer like firm wise, item wise samples sent, test reports received, result of testing and outstanding test reports on a monthly basis.

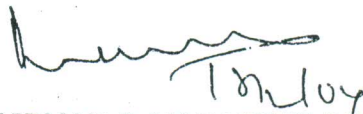
**REVIEW AT ZONAL STORES:**

129  
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- a) All the COSs, WMs, Stores Officers of Zonal Stores/Regional Stores, TPT and BBW/MYP shall invariably follow the above instructions scrupulously so as to ensure a distinct improvement in the quality watch of incoming materials at all the stores.
- b) The Executive Directors of Zones are advised to review the testing of random samples of all the vendors during the periodical inspection of Stores and also during the production review meetings and ensure implementation of above instructions.

The compliance of these instructions by each of the Zonal Stores will be watched and reviewed at Corporate office.

Please acknowledge.



CHAIRMAN & MANAGING DIRECTOR

Encl: Annexures I to III.

To,  
ALL CONTROLLERS OF STORES  
APSRTC

Copy to: Director (V&SO), ED(M&S) (A), ED(O), FA, CAO, All EDs (Z)  
For favour of information.

Copy to: CME(O), CME(C&B), CME(COM), CM(HRD), CCOS, CA & Secy to Corporation for information and necessary action.

Copy to: Dy CME(C&B), Dy CME(COM), Dy CME(O) for information and Necessary action.

Copy to: All Dy CMEs, WMs for necessary action.

Copy to: All DVMs & Dy CAOs for necessary action.

Copy to: SO@/SO(D&T)/AO of all zones for necessary action.