



ANDHRA PRADESH STATE ROAD TRANSPORT CORPORATION
No.PO©I/DEPOTLP/2010-11
O/o The VC & Managing Director,
Mushirabad, Hyderabad-500 624
Dated: 18th July'2012

CIRCULAR NO: 04 /SPD/2011-2012 Dt:18-07-2012

Subject: Local Purchase – Local Purchase of spares at the Depots- precautions to be taken for procuring genuine spares- detailed guidelines – reg.

Reference: 1). Stores & Purchase Manual 1999
2). Notification No.PD-22/2010 Dated: 27-12-2010

Corporation has been following centralized procurement system and decentralized distribution. Accordingly for the total requirement of the spares and other items, procurement decisions are taken either at the Head Office or at the Zonal Stores and the distribution is done to all the Depots.

Though the spares and other items are regularly supplied to the Depots through the Zonal Stores, there can be an exigency at the Depots to keep the vehicles on road. To meet the situations like this, Depot Managers are vested with powers to make local purchase of stores required urgently for keeping the vehicles and plant in working order without pre audit by Accounts Officer up to a limit of Rs.1000/- per bus per annum. A monthly statement of items thus procured shall be submitted to the Controller of Stores of the zone concerned every month.

It is clearly mentioned in the SPD manual that this power vested with the Depot Manager is to make the limited purchase in order to bring the off road vehicle on road or to prevent any vehicle going off road. Similarly it is permitted to keep the plant and machinery in working condition. It is also mentioned that every effort should be made to keep the local purchase to the minimum.

But on a scrutiny of the local purchases made at some of the Depots, the following irregularities are observed: -

- 1) Some of the stock items which are regularly being supplied through the Zonal Stores are also being procured, which could have been avoided with better pursuance with the Zonal Stores.
- 2) More quantity than is required to keep the vehicles on road is being procured.
- 3) Spares of other than the reputed brands are also being procured and also from Non- reputed sources.

It is a known fact that the procurement of spares of un reputed brands may not only result in high consumption of spares but also may result in break down of the vehicles en route.

In case of some of the spares, the price at which the spares are available for local purchase may be less than the prices at which they are being supplied through the Zonal Stores, but there can not be a match for the quality of the spare.

Hence to ensure a better way of procuring the spares, the following instructions are issued: -

- 1) When ever the supplies are not forthcoming from the regular sources on which the orders placed by the Corporation, the matter should be immediately brought to the notice of the Head Office by the Controller of Stores concerned for the timely intervention.
- 2) The alternate procurement action may be resorted to as envisaged in the Delegation of Powers. But as there is involvement of lead time for the supplies to be received, a committee of Officers comprising the Controller of Stores concerned, Works Manager, Deputy Chief Accounts Officer of the Zone may resort to procurement of the items as a committee from the local sources with reputed brands and keep the spares available and thus restricting the Depots from resorting to the Local Purchase at their level.
- 3) The procurement of high value Non Stock items like Head Rest Covers, Windscreen Glass of a new model vehicle etc. shall be done through the Zonal Stores on R&I basis to ensure quality and also to get a competitive price.

Requirement of items like this shall be given top priority by the COS concerned and these items shall be supplied within the shortest possible time to keep the vehicles on road.

- 4) When ever the Depots are resorting to the local purchase, the following instructions shall be strictly adhered to.
 - a) The procurement shall be from the manufacturers, distributors and dealers/traders in the order of priority.
 - b) The procurement shall be of the reputed brands recommended and being procured at present by the Corporation. It is preferable to procure from the Vehicle Manufacturers, their authorized distributors/dealers, distributors of WABCO TVS like Madras Auto Service, Sundaram Motors, IMPAL etc., and firms like SRMT.
 - c) The list of the firms registered with the Corporation and the items for supply of which they are registered is available with the Controller of Stores/Zone and a copy of the same shall be collected by the Stores Supervisors at least to the extent of the firms available in the list pertaining their District.

COS(Zone) has to furnish the list of registered sources for all items to Dy.CAO/AO of the Regions to enable them to ensure that local purchase is made only from authorized sources.

- d) A committee under the chairmanship of ED(Zone), with Works Manager, Controller of Stores, Dy.Chief Accounts Officer & Dy.Chief Mechanical Engineer/HQs as the members shall be formed in each zone to identify the list of registered sources, manufacturers, distributors, ASRTU approved RC sources etc. and communicate to the Depot Manger enabling them to procure the urgent spares through local purchase in case of emergency to make the vehicles on road.

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- e) i) The details of local purchase shall be fed in the STOINS and the details like the Brand of material procured and the source with full address shall be entered without fail. The soft ware is being changed accordingly to capture these details also.
- ii) Local Purchase payments should be made only after confirming that the data is entered in the STOINS.
- f) The Maintenance In charge shall inspect and satisfy himself that the spares procured locally are suitable to their requirement and then only shall be consumed. He shall certify on invoice copy that 'Item is Suitable'.
- g) The quantity procured shall be the minimum possible so as to keep the vehicles on road till such time the supplies are received from the Zonal Stores in case of stock items. In case of non stock items, the quantity procured shall be to the extent of immediate requirement.
- h) The quantity procured shall be reflected in the stock and shall be charged off on consumption.

Depot Manager should ensure that the local purchase rates are reasonable duly comparing the rates applicable as per Zonal Stores.
- i) The details of spares procured through local purchase shall be furnished to the controller of stores concerned by the Depot Manager by 5th of the subsequent month with justification without fail.

The Controller of Stores should consolidate and take necessary action to avoid the same.

Local Purchase made Depot-wise should be made available by the Dy.CME and the action to be taken to avoid further Local purchase for the materials identified should be compulsorily recorded in the LFC Minutes. This would reduce the Local Purchase.

A single case for similar items of local purchase procurement for the year should be maintained to have a control on receiving local purchase of items.

The cumulative expenditure incurred on local purchase has to be specified by the Depot Manager whenever local purchase cases are processed for approval.

It should be understood that the intention of the Corporation is to limit the Local Purchase to the minimum extent and the instructions being issued are to ensure better quality of spares even in case of local purchase.

This has the concurrence of Financial Advisor and Chief Accounts Officer.


Vice Chairman & Managing Director

To
All Officers of the Corporation

Copy to
AG RTC Branch, Mushirabad, Hyderabad
Secretary to chairman