

April 19, 2006

INTER OFFICE MEMORANDUM


Vide office order No. AAI/M/(F)/28/99 dated 25th October, 1999, a committee headed by Shri N.V. Sridhar, Executive Director (KID) with Shri Balbir Singh, ED (Internal Audit), Shri D.P. Gupta, GM (MM) and Shri C.P. Singh, DGM (Commercial) as members was constituted by Member (Finance) to prepare Materials Management Manual for AAI.

The first draft of the Manual was finalized in February, 2000 and circulated to all REDs, International Airports and HODs at Hqrs. The draft manual after incorporating the suggestions / comments, received from various departments, including Member (Planning)'s office was scrutinized by Finance Department and Internal Audit.

A presentation on draft Materials Management Manual was made on 24-04-2005 before the Chairman, whole time members and heads of the departments, in which salient points of the manual were explained. The suggestions made by various H.O.Ds including Vigilance Department and F.I.U., during the presentation, were also incorporated in the manual with due approval. The final draft Materials Management Manual was put up to the Board in its 91st Meeting held on 14-10-2005.

The Board has approved the proposed Materials Management Manual. A copy of the Materials Management Manual, as approved by the Board is enclosed herewith.

The Materials Management Manual shall come into force with immediate effect.


(Hareendranathan E.P.)
General Manager (Tech)

Encl : As above

भारतीय विमानपत्तन प्राधिकरण
(अध्यक्ष कार्यालय)



AIRPORTS AUTHORITY OF INDIA
(CHAIRMAN'S SECRETARIAT)

FOREWARD

I am glad to know that Technical Department has come out with a Materials Management Manual.

Transparency in procurement process is very important and preparation of manual is in the right step towards it. The need of the hour is to optimize the purchase process in a transparent manner and the endeavour should be to tap the immense potential provided by the latest technology through computerization, e-tendering, etc.

The vision for the future should be the ability to monitor and review the procurement activities on all India level for efficiency, optimization, minimizing the cost on procurement and inventory carrying through a computer network environment. This manual will help in achieving the vision.

I appreciate the good work done in this direction and hope the users will find the manual informative and helpful in their day-to-day work.

[K. Ramalingam]
Chairman

November 25, 2005
New Delhi

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PREFACE

I am glad that the 'Materials Management Manual' is being released after due approval of the AAI Board.

The officers and staff who have been associated in framing this Manual deserve appreciation for their hard work.

This Manual is the first step in bringing efficiency in the procurement activities and once integrated in network environment, will optimize the inventory cost.

I am confident that the users will find it useful in their day-to-day activities.


(P. SETH)
Member (Ops.)

30th November, 2005

MATERIALS MANAGEMENT MANUAL

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INTRODUCTION

Importance of Materials Management can be revealed from the fact that every item in stock or in use is nothing but cash in the form of equipment and store. In almost all organizations, material forms the largest part of the expenditure in their budget.

DEFINITION AND SCOPE

Materials Management is a function for the co-ordination of materials planning, purchasing, storing and distributing materials to provide service at a minimum cost.

The functions can be divided into three categories: -

i. Materials Planning and Control

The annual requirements are forecasted based on the past consumption data and future requirements considering the usage and the age of machines and appliances for the period under consideration. This will include materials required for maintenance of equipment and installations, e.g. requirement of spare parts for equipment, vehicles etc. Based on this forecast, budget will be prepared for the year.

ii. Purchasing

This involves selection and development of sources of supply, placement of orders, follow up actions, maintaining smooth relationship with suppliers, timely payments, evaluation and rating of suppliers.

iii. Stores & Inventory Control

This includes physical control of materials, preservation of stores, timely disposal of scrap and obsolete items, proper location, stock taking and maintenance of stores records. Inventory control is exercised by setting up of minimum and maximum levels, safety stock levels, economic order level etc.

COVERAGE

This manual shall generally cover all types of stores both capital and Revenue except Civil & Electrical Engineering Stores. The details are given in Chapter – II Para 2.3.1 to 2.3.8.

NEED FOR INTEGRATED MATERIALS MANAGEMENT

It is necessary to have an integrated approach to materials management of various functions such as materials planning, purchasing, receiving stores, inventory control, scrap and surplus disposal. In case some of the functions were to be separately handled, conflict of interests would occur. Purchase department if allowed to operate independently, may take decisions, which result in sub-optimization such as discount in buying as important factor without taking into account of the impact of inventory carrying cost. Therefore, to balance the conflicting objectives from the total organizational point of view, an integrated system, which results in economy is essential. Also, it enables the inter-related functions to exercise better control and co-ordination.

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CHAPTER - I

ORGANIZATION AND SCOPE OF FUNCTIONS

1.1 The Airports Authority of India has been constituted by an Act of Parliament for managing International and Domestic Airports in India. The Authority is *interalia* required: -

- i. To provide at the Airports services and facilities as are necessary for the efficient operation of air transport service.
- ii. To develop, construct and maintain runways, taxiways, aprons and terminal buildings at the airports.
- iii. To establish warehouses and arrange for other services that may be necessary at the Airports.

In the discharge of the above functions efficiently, it will therefore, be necessary to procure and supply various types of equipment and stores.

1.2 FUNCTIONS

For carrying out these functions effectively, respective Directorates at Headquarters will prepare the Budget for purchase of items required to be procured for all the Airports as per Delegation of Powers.

1.2.1 At the Regions, International Airports, Domestic Airports and other field Stations, these functions shall be performed by respective specialist officers where available and by designated officers where specialist officers in the particular discipline are not available.

1.2.2 The above mentioned Officers will have the following functions: -

- i. Consolidate the requirements of various departments at the Regions / Airports / Stations. .
- ii. Prepare budget for items required to be procured for the year.
- iii. Purchase of materials as per procedure in time and arrange for storage and distribution.
- iv. Maintain the inventories at the optimum level consistent with efficient performances and maintenance at the Airport.
- v. Disposal of surplus and unserviceable stores.
- vi. Maintenance of stores and accounting.

- vii. Care custody and disposal of lost and found property.
- viii. Issue of uniforms to staff as per uniform schedule.
- ix. To make continuous efforts of vendor development and vendor rating.
- x. To ensure that the expenditure is within the prescribed budget.

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CHAPTER – II

CLASSIFICATION AND CATEGORISATION OF STORES

2. Stores are to be classified as consumable stores and non-consumable stores:

i. Consumable Stores:

The materials which are totally consumed in operation or usage.

ii. Non-Consumable Stores:

Items, which have long life and have resale value.

2.1 Non-Consumable Stores should be divided into:-

i. Capital Items:

Capital items are those having longer life span and can be repaired for re-use. These also have a depreciation value according to the life standard, for example – vehicles, installations, office furniture and equipment, machineries etc.

ii. Revenue items:

Materials which become unserviceable and can not be repaired or reused. These items need not be capitalized as per Income Tax Rules.

2.2 Categorization of Stores:

Systematic categorization and codification will help in proper identification and storage for distribution.

2.3 The Stores can be broadly categorized into the following groups: -

Group of Materials	Symbol
2.3.1 General Stores	
Printing and stationery, House keeping materials, Uniforms & Liveries, Repair and Maintenance of furniture, fixtures etc.	GN

2.3.2 MT Workshop Stores

These Stores are exclusively used by the MT Section for repair and maintenance of different types of vehicles/fire fighting equipment / facilitation equipment like trolleys/cargo equipment.

MT

2.3.3 Fire Station Stores

The items, which are exclusively used by the fire station for fire fighting purpose.

FS

2.3.4 Furniture & Facilitation Equipment

This includes all types of furniture, furnishings / carpets etc. used for passenger facilitation and other equipment like, Hand Dryers, floor cleaning equipment, etc.

GN

2.3.5 Office Furniture and Equipment

This will include all types of office furniture and equipment like table chairs, typewriters, duplicating machine, photostat copying machine, calculating machine, computers etc.

{GN}

2.3.6 Electronic Stores / Communication Equipment / Radar and Navigational Stores

Spares for Stereo equipment, wireless sets, TV/Fire Alarm Installation items etc.

LD

2.3.7 Aerodrome Equipment (Stores pertaining to ATC).

AL

2.3.8 Cargo Equipment and Spares

CE

2.3.9 Aircraft/FIU Equipment

FI

2.3.10 Security Equipment

SE

2.4 Codification :

According to the classification and categorization of stores, the symbol letter like GN, MT, FS, LD etc. given above are the code letters for the different groups of materials procured as per the usage. This will also identify the materials used by the different departments exclusively. This will enable proper identification and distribution of stores to the different departments. This will also help to avoid

prising of unclaimed items, which are procured exclusively for particular department. This should go a long way in helping proper inventory control and procurement system. Codification is essential to enable easy recognition of stores.

Coding system should be such, which identifies the Department and the type of item easily. AAI can be divided department-wise by alphanumeric codification system. The first two alpha codes denote the "division"; the next two numerical, will define "classification". Further, each material can be subdivided into blocks and each block is given specific numbers serial wise. For example, a hardware item required for Electronic Division can be codified as LD 01 300. The same item required for MT Division shall have the code number MT 01 300. In this case, the alpha codes denote division. The next 2 digits denote say hardware, and the next 3 digits shall denote the particular item in the hardware.

2.5 Standardization

Variety reduction and standardization will enable reduction in purchase orders and inventory. Standardization will ensure the right quality of the items as the suppliers will be guided by prescribed standards and also more number of manufacturers can supply standard items. In short, standardization enables the materials manager to achieve overall economy and ensure interchangeability of items.

2.6 The suggestion of standardization is: -

- i. to classify items on functional basis
- ii. to bring items according to the degree of similarity
- iii. to avoid excessive variety and also to suggest substitute to specify items as per the standard.
- iv. to have a readily available list for user departments and procurement department.
- v. to reduce the blocking of capital and space.

2.7 Procedure for standardization :

The following points should be considered while standardizing: -

- i. Thorough Scrutiny of items
- ii. Ultimate use of each item
- iii. Reduction of varieties range and size.
- iv. Laying specification
- v. Ensure purchase of approved marking such as ISI and products under DGS & D contracts.

2.8 HODs of Headquarters, REDs of Regions, Airport Directors at Airports and Station-in-charges at other Stations shall be competent to standardize the items of Stores after recording full justification to do so. However, in case of office / equipment, furniture including chairs/sofas used in passenger / visitor lounges, carpets etc., the approval of Whole Time Member will be necessary.

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CHAPTER – III

INVENTORY CONTROL

3. Inventory Control

The following are the main factors to be considered while buying: -

- i. Right Quantity
- ii. Right Quality
- iii. Right Price
- iv. Right Time
- v. Right Source

3.1 Inventory Cost

Inventory Cost consists of the following factors: -

Ordering Cost: The expenditure incurred on processing the purchase orders consisting:

- i. Building Rent
- ii. Office Equipment and Furniture
- iii. Salary and Wages
- iv. Purchasing of Stationery
- v. Stamps and Postage
- vi. Water and Electrical Bills
- vii. Telephone Bills
- viii. Transport and Conveyance
- ix. Advertisement

3.2 Inventory Carrying Cost

This consists of

- i. Interest on capital invested in stock
- ii. Insurance Charges
- iii. Cost of Depreciation
- iv. Storage Expenses
- v. Loss in Fire
- vi. Loss due to Theft & Pilferage
- vii. Damages
- viii. Deterioration
- ix. Obsolete items

3.3 Categorization of Spare Parts

The Stores can be categorized mainly into following broad categories depending

upon the frequency of usage.

- i. Fast moving spare parts
- ii. Slow moving spare parts
- iii. Non-moving spare parts
- iv. Emergency spare parts
- v. Insurance spare parts

3.4.1 Fast Moving Spare Parts

Fast moving spare parts are those parts, which require frequent replacement and the consumption/usage can be reasonably forecasted. The quantity of consumption mostly depends upon the number of vehicles/machines in use and its frequency of usage to increase the operational efficiency. These items should be stocked in sufficient quantity so as to maximize serviceability.

3.4.2 Slow Moving Spare Parts

The spare parts in this category have fairly less frequent consumption and are normally required at the time of major overhauling/repair of the machine, vehicles and equipment. The parts in this category are like radiator, crankshaft, cylinder head, gearbox assembly etc. The procurement and review would be on the time basis. It is suggested that provisioning of this category of items may be reviewed once in six months to ensure that the adequate quantities are available in stock and are not over stocked.

3.4.3 Non-moving Spare Parts

The spare parts which have recorded no movements in the last three years should normally be categorized as non-moving spare parts. A detail analysis should be done whether there is any likelihood of these spare parts to be used in future and if there is no such likelihood of that happening, such spare parts should be taken up for disposal. Emergency spare parts and insurance spare parts should not be treated under this category.

3.4.4 Emergency Spare Parts

These are normally required for the operational vehicles, equipment and installations. They may become unserviceable for want of spares, will effect the operational efficiency of the airports.

3.4.5 Insurance Spare Parts

Certain spares, which are vital, expensive, difficult to procure or likely to be imported and required in case of damage due to accidents, need to be stored for maintaining a high rate of serviceability especially of fire fighting vehicles and operational equipment where replacement of such material is not readily available.

3.5 Scientific Inventory Control

Proper recording is the essential factor. The following if maintained with measures suggested below will help their recasting of the requirement to a certain level of accuracy.

3.5.1 The bin cards and the stock ledger should show the correct quantity in stock and also should indicate the quantity on order and the quantity given for repairs. While calculating the inventory levels minimum, maximum and reorder the realistic approach by considering the age and the utilization of the machines/equipment will help in arriving at a nearly correct figure. Every transaction has to be correctly entered in the bin cards immediately at the time of receipt and issue.

3.5.2 Stores stock ledgers shall be maintained as explained in detail in Chapter IV.

3.5.3 Literature for identifying the spare parts/items based on which the procurement has to be made should be made available at the station level. It may include the computer code number, part number, physical and electrical parameter of the items and its descriptions (this aspect may be specifically required for communication stores, radar and navigational stores and aerodrome stores etc).

3.5.4 Where possible, computerized inventory control should be introduced for accounting purpose. The software should also have the cost per unit and the cost of balance number of items so as to have a better financial and budgetary control. The software design shall ensure the calculation of unit rate on weighted average basis.

3.5.5 In a computerized inventory control the part number or VOCAB number shall be used to easily identify the item and reduce the processing time. The part number or VOCAB number shall be unique for identifying the item in the database.

3.5.6 The proper-trained person in the stores will help in operating the systems effectively.

3.6 Inventory means materials having economic value. Since capital is blocked up in the form of materials for the future requirements, proper system and control should be devised to maintain the optimum level of inventory. The following are the main reasons why inventory should be maintained.

3.6.1 To meet minimum consumption:

Since there is a time gap between purchase and use of materials, we need to maintain a minimum stock to meet safety requirement and consumption during lead-time supply for each type of equipment.

3.6.2 Lead-time:

Lead-time is the time required to procure the items from the time of receiving the

incident to the time the materials reach the consuming department. In order to reduce the lead time for procurement of items, In case of indigenous items rate contract shall be established for a year or two with the manufacturer or their sole selling agents. In case of more than one agent quotations shall be obtained for all such agents on terms & conditions, discount, etc. The basis of price shall be the price list of the OEM. After finalizing one of these vendors for supplying these items on the basis of quotations/negotiations, we must enter into rate contract with them as was being done earlier through DGS & D Rate Contract.

In case of imported items the contract may be for a period of one year in a similar way and the basis shall be the pricelist of the OEM and other charges such as freight, insurance, customs duty, handling charges, etc. loaded as a percentage.

3.6.3 Precautionary / Safety Inventory:

It is very often, inventory requirement increases very suddenly or the lead-time becomes more than normal. In this case, some quantity of stock is to be kept to ensure adequate availability of materials for the departments to avoid break down of service. Another reason for change in the level of inventory holding can be, the price may raise or the materials may become scarce during a specific period. This will cause the increase in inventory to compensate the lean supply. This requires effective calculation. Holding for the above reason is known as “safety stock”.

3.6.4 The optimum level of stock means the advantages of bulk purchases in consistence with the minimum investment of capital while ensuring adequate quantity is available to the user departments without obstructing their activities. Therefore, a balance has to be brought between the breakdown of service for want of materials and the cost of inventory holding and it is known as optimum level.

3.7 Selective Inventory Control / ABC Analysis

While standardizing the procurement of materials for proper control, ABC analysis is applied. Considerable saving can be effected, if more attention is given to high value items. In ABC analysis, items are divided into three groups: -

- A - High value
- B - Medium value
- C - Low value

According to the annual consumption value in terms of rupees greater control is exercised in proportion to the value of consumption of items. Consumption data for the past year is taken and value arrived at for each of the items consumed in the year and arranged in the descending order in terms of total value. It is generally found that 10% of the total number of items will form about 70% of the total cost and 20% of total item will form about 20% of the total cost and 70 % of the items will form only 10% of the total cost of the inventory. This situation explains that highest attention is required on 10% of the items and next to 20% of the items. By applying ABC analysis time, money and energy can be saved. This can be applied both in stores functions as well as in

purchase functions

3.8 Minimum and Maximum Stock levels :

- a. Maximum stock level is the quantity above which the stock will not be held normally. The following facts are taken into consideration while fixing the maximum levels.
 - i. Economic Order Quantity
 - ii. Consumption Pattern
 - iii. Lead-time
 - iv. Life of Material
 - v. Seasonal availability
 - vi. Inventory carrying cost
- b. Minimum stock level is the quantity below which stock normally should not be allowed to fall, while arriving at the minimum stock level, the consumption pattern and lead time are the factors which figure prominently.
- c. Reordering level is the point between the maximum and minimum stock figures at which procurement action should be initiated in consistence with the lead-time and consumption. Reassessment of re-order level on the basis of consumption rate and lead-time should be made according to prevailing conditions to reduce the “Idle Inventory”.

3.9 Economic Order Quantity

Considering the seasonal fluctuations, the items are required to be procured in bulk to avail of the proper discount without upsetting the inventory carrying cost. To arrive at a correct decision as to when to buy and how much to buy, we should have the analysis of ordering cost and inventory carrying cost of the materials to arrive at a break even point which is normally known as economic order quantity. The formula is: -

$$EOQ = 2 \times \frac{AV \times OC}{UC \times CC}$$

AV – Annual Usage Value ; OC – Ordering Cost ; UC - Unit Cost ; CC – Inventory Carrying Cost. EOQ is the quantity.

Note: EOQ formula should be used only as a starting point for stores other than spares. The quantities indicated by the formula must be modified/moderated for practical results. It can provide good results for larger quantum of usage and when regular pattern of usage over the period is evident, for instance, consumable/expendable item.

Annual requirement of materials by various departments at the Airport including the centralized items should be prepared showing the estimated expenditure involved and submitted to include in their early budget proposal. While preparing material plan budget for the year, the level of stock required to be maintained and the size and frequency of orders to be placed during the year

should be considered. Necessary budget control register is to be maintained showing the expenses incurred during the year under each budget and balance left.

3.10 EDI & Bar Coding

Computer to computer electronic data interchange can be enhanced by linking it with Bar-coding system. When the supplier receives the buyer's electronic order or order release, it contains information the supplier can use to create a bar code shipping label. At the time of shipment, this label is scanned by the supplier to generate a packing slip and an electronic "Advance Shipping Notice" (ASN) i.e. transmitted to the buying firm. When the shipment arrives at the buyer's receiving dock, the bar code label can be scanned and compared with ASN for identification purposes and subsequently used in the receiving and internal communication processes. This technique increases the accuracy of receiving operation and thus helps in expediting.

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CHAPTER – IV

STORES FUNCTIONS

Airports Authority of India being a service oriented organization, quantity of stores held at any time will be limited. Therefore, it does not require an elaborate procedure. Consistent with the requirement and cost involved, a simple procedure with a minimum record keeping is suggested. The following are the main functions of the stores department: -

- i. Receipt and inspection of Stores
- ii. Lay out and preservation of Stores
- iii. Issue of Stores
- iv. Review of consumption pattern
- v. Stock verification
- vi. Disposal of surplus, scrap and obsolete items
- vii. Receipt and issue of Uniform and Liveries
- viii. Receipt preservation and timely disposal of lost and found property

4.1 RECEIPTS

A Register showing the details of despatch documents as per format given at [Appendix – 1](#) will be maintained by Receipts Section. On receipt of Consignment Note, the same shall be entered in the Inward Consignment Register not later than the next working day.

4.2 INWARD R/R REGISTER

This is a register to keep the record of all the incoming Railway Receipt, Lorry Receipt, Consignment Note, Airway Bills etc. and shall contain the following information: -

- i. Date of Receipt of the document in Stores
- ii. P.O. No. & Date
- iii. Documents Reference No. & Date
- iv. Name of the Consignor
- v. Nos. of Package consigned
- vi. Mode of Transport
- vii. Date of clearing of Consignment
- viii. Expenses incurred in detail in clearing the Consignment.

4.2.1 After making necessary entries in the Register, receiving Storekeeper shall liaise with transport company/Railway to check whether the consignment has arrived and in case of non-arrival, to obtain signatures of the carriers.

4.2.2 Taking Delivery of Goods

At the time of taking delivery, it should be ensured that there are no external damages. In case of apparent external damage, an open delivery shall be taken in the presence of the representative of the carriers and if insured, insurance representative should be involved. All discrepancies revealed should be recorded and signature obtained from the concerned representatives. The details of receipts and condition of package at the time of receipt should be immediately informed to the supplier and the agencies involved.

4.2.3 In case the material is not received against Consignment Note within reasonable time, say two months, a preliminary claim should be lodged with the carriers informing the Insurance Company and the Consignor. Thereafter, in case the consignment is not traced, a final claim is to be preferred within the time limit with the Carriers as per terms and conditions of the Carriers. In case of partial delivery, a "Short Delivery Certificate" should be obtained from the Carriers before surrendering the consignment note and necessary claim should be lodged with the carriers informing the Insurance Co. if any and the Supplier.

4.2.4 On receipt of goods, material will be checked against Challan / Packing Note. The Challan should be stamped as under and duplicate copy be handed over to the Supplier.

4.2.5 "Goods received subject to counting, inspection and acceptance"

Asst Mgr (MM)/Mgr (MM)
AAI _____ Airport

4.2.6 Specially intended Stores shall be got inspected from indenting / user department before final acceptance e.g. fire fighting items, equipments etc.

4.2.7 From the original copy of Challan, the receipt is entered in Daily Inward Register which is maintained in Receipt Section as per Specimen given at [Appendix – 2](#).

4.2.8 It is a document for entering the daily receipt of Stores and shall contain the following information: -

- i. Description of material received
- ii. Name of Supplier
- iii. Challan No. & Date mentioning supply order reference
- iv. Quantity mentioned in Challan
- v. Quantity actually received
- vi. Goods Receipt Note No. & Date
- vii. Any special information
- viii. Name of the Receiving Clerk

4.3 Goods Receipt and Acceptance Note as per [Appendix – 3](#) will be prepared in 5 copies and shall be distributed as under:

Original to Central Stock A/c Cell and duplicate copy will be forwarded to Accounts Department along with the supplier's Invoice. 3rd copy will be forwarded to the Purchase Section. 4th copy will be retained in Receipts Section and 5th copy will be sent to Supplier in case of rejection.

4.3.1 Goods Receipt and Acceptance Note

This is a voucher prepared in a set of 5 copies of material in receiving section. It will contain the following information.

- i. Name and address of Supplier
- ii. Challan No. & Date
- iii. Purchase Order No. and Date

- iv. Consignment Note No. & Date, if applicable
- v. Type of Stores
- vi. Bill/Invoice No. & Date
- vii. Description of material
- viii. Unit of measurement
- ix. Quantity ordered
- x. Quantity received
- xi. Discrepancies, if any
- xii. Quantity accepted / rejected
- xiii. Reasons for rejection
- xiv. Date of preparation of goods receiving and acceptance note.

4.3.1 In case of rejection and discrepancies, a copy of Goods Receipt and Acceptance Note will be sent to supplier.

4.3.2 Material will be handed over to Storekeeper along with original acknowledged on GRA despatch register by receiving Storekeeper.

4.3.3 Storekeeper will enter the receipt in sign the Goods Receipt and Accepted for having made the necessary entry. Both copies will be forwarded to Central Stock Record Section. This is to be serially numbered (pre-printed)

4.4 STOCK REGISTER

4.4.1 When an item is exclusively procured for one department under their budget provision but is used by another department because of urgency or for any other reason, a "Stock Transfer Voucher" and is to be serially numbered (pre-printed) as per [Appendix – 4](#) shall be raised by Indenter in a set of 4 copies. The copies shall be distributed as under: -

4.4.2 All the 4 copies will be submitted to Stores & Purchase who will approve transfer with the consent of concerned department for whom the material is procured. All the 4 copies will then be forwarded to issuing storekeeper, who after necessary posting shall distribute the copies as under: -

4.4.3 Original and duplicate to Stock Record Section, who after pricing shall send the original to accounts and retain the duplicate.

4.4.4 In case of external transfer, the voucher will be raised by concerned storekeeper in 4 copies with pricing. Original and duplicate will be forwarded to Stock Record section, who will forward the original copy to accounts after posting. Third and fourth will be handed over to Despatch Section along with the material.

4.4.5 Despatch Section will prepare necessary packing note and shall despatch the material. Transfer voucher with despatch documents will be forwarded to indenting Airport. The indenting Airport on receipt of material, shall sign and return the duplicate copy endorsing their GRA number.

4.4.6 Stock Transfer Voucher

This is a Voucher prepared in 4 copies for the purpose of transferring material from one

another and between the departments through stores. Stock Transfer Voucher will have the following information: -

- i. Stock Transfer Voucher No. & Date
- ii. Transferred by
- iii. Transferred to
- iv. Description of material
- v. Unit of measurement
- vi. Quantity transferred
- vii. Value of material transferred

4.5 STORES LEDGER

Stores Ledger will be maintained in the Central Stock Record Section of the Stores & Purchase Department to record all transactions of the various stores as given on [Appendix – 5](#) for General Stores and [Appendix – 6](#) for Special Technical Stores.

4.5.1 Stock Ledgers are the Registers maintained in Central Record Section. These Ledgers contain the following information.

- i. Minimum Level
- ii. Maximum Level
- iii. Ordering Level
- iv. Name of the Item
- v. Received from / Issued to
- vi. Unit of measurement
- vii. Quantity received
- viii. Quantity issued
- ix. Balance Quantity
- x. Rate and Value

4.5.2 Stores Ledger Section will enter all transactions from copies of vouchers received from the respective Storekeeper and retain one copy in support of the entry made in stock ledger.

4.5.3 Posting of Stock Entry: On receipt of stock verification sheet, the posting clerk will leave sufficient space for posting the adjusting entries and draw a red line. Adjusting vouchers, if any will be posted above the red line as and when received.

4.5.4 Due-in Action

Whenever a copy of the Purchase Order / Work Order (where applicable) is received by the Stock Ledger Section, a dues in entry is to be made in the stock ledger indicating the quantity on order.

On receipt of material against the purchase order, while posting the respective GRA Note, dues-in-entry will be deleted in case of full receipt and in case of partial receipt quantity received and balance against the order will be indicated in the dues-in column.

4.5.5 At the time of scrutinizing the purchase requisition raised by the Storekeeper for replenishment of stock, the quantity on order should be taken into account and must ensure that the quantity requisitioned plus the quantity held do not exceed the maximum level of stock fixed for the item.

4.6 Stock Ledger:

Stock Ledgers should be of PSL (Priced Store Ledger) type and should be provided with column of rate and value. Each transaction on this ledger is required to be priced and posted.

4.6.1 (i) While deciding about the pricing system, various factors are to be taken into consideration such as competition for end product, profitability, feasibility and easy accounting system etc.

(ii) Present accounting policy for pricing of stores, spares and tools is at cost and further consumable stores and spares are charged off during the year of purchase due to high risk of obsolescence on account of technical advancement .

(iii) Since AAI is not having end product, we may consider the pricing system with a view to have an easy and feasible accounting. If the purchase price is taken for all issues, it would be cumbersome to back link purchase price with the issues. Generally adopted system in this case is weighted average system, wherein an average rate is arrived at on each receipt and subsequently issues are priced as per the rate. Further receipts are added to the existing stock, similarly, the purchase amount is added to the balance amount on stock ledger and divided by the total quantity i.e. quantity on stock ledger plus quantity received and an average rate is arrived at for pricing further issues. And this system may be used for pricing stock ledger.

4.6.2 Procurement and Accounting of rotables used in the aircraft under the Material Exchange Program

OEM offers a Material Exchange Programme, to address the urgent requirement of aircraft operation of the customer.

Material Exchange Programme envisages return of unserviceable unit on receipt of overhauled / new unit from OEM.

Under Material Exchange offer of the OEM the following two option exists :

(i) To buy overhauled rotatable from the OEM after availing a discount offer under Material Exchange Programme. The O.E.M. on receipt of the defective part, give credit depending on whether overhaul or new unit is supplied by them in lieu of unserviceable unit. In such case, the unserviceable rotatable shall become the property of OEM and the same is to be treated as surveyed off in our books of Accounts/ Ledger and the discount offered is to be taken as sale price of the unserviceable rotatable. The overhauled rotatable that is purchased, is to be taken as fresh rotatable in books of Accounts / Ledger.

(ii) To buy new rotatable from the O.E.M after availing a discount offered under Material Exchange Programme. In such case, the unserviceable rotatable shall become the property of OEM and the same is to be treated as surveyed off in our books of Accounts/Ledger and the discount offered is to be taken as sale price of the unserviceable rotatable. The new rotatable that is purchased is to be taken as fresh rotatable in books of Accounts / Ledger.

Whether to get the unserviceable rotatable, repaired or buy rotatable under Material Exchange Programme, a prudent decision is to be taken by head of Flight Inspection Unit in the overall interest of AAI.

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CHAPTER – V

STORES LAYOUT

Centralized Stores where possible should be located at one secured place outside the operational area but nearer to the terminal building. The area should have a boundary wall with security arrangements to avoid theft / pilferage etc. In maintenance units, however, it may not be practical to have centralized stores and in such cases, the stores should be located in the premises of the concerned maintenance units.

5.1 The area earmarked for Stores should have sufficient space, necessary storage racks / bins locking arrangement and handling storage equipment.

5.2 **STORAGE, MAINTENANCE & PRESERVATION**

5.2.1 **Storage :**

Considering the activities of the Stores Department, the Stores should be divided according to the usage in the following categories. Materials falling in different type of stores should be separately stocked as follows: -

5.2.2 Electronic Stores

5.2.3 Radio Communication Stores

5.2.4 Navigational Aid and Radar Stores

5.2.5 Aerodrome (ATC) Stores

5.2.6 M. T. Stores

5.2.7 Fire Fighting Stores

5.2.8 Aircraft stores

5.2.9 Security Equipment stores

5.2.10 Lost & Found Property Stores

5.2.11 General Stores

5.2.12 House Keeping Stores

5.2.13 Any other Stores as applicable for different Departments of organization.

General Stores will be divided into 3 categories: -

- i. Consumables & Stationery
- ii. Uniform and Liveries
- iii. Furniture & Fixtures for Offices & Lounges

5.3 **Maintenance of Stores**

All the items received in the Stores Section will be under the custody of the respective storekeepers and will be issued to the User Departments on proper vouchers approved by the Stores & Purchase Officer / Asst. Stores & Purchase Manager / designated officer, as the case may be. These are to be stored systematically on racks giving rack/bin numbers. In case of components or

separate Bin card for each item indicating the location of the item will be maintained. It will be the responsibility of the Storekeeper for the proper housekeeping and preservation of material against deterioration in the storage and careful handling of the same to avoid damages while in his custody. All transactions are to be recorded in the Bin Cards and signed by stockholder as per the specimen given at the [Appendix – 7](#).

- 5.4. Bin Card is a Card maintained in the Storehouse indicating all day today transactions. It contains the following information:
- i. Date
 - ii. Received from / Issued to
 - iii. Voucher No.
 - iv. Quantity Received / Issued
 - v. Balance
 - vi. Dues-in column with details of Indent
 - vii. Bind Card No.
 - viii. Stores Location

5.5 Preservation of Stores

Stores should be preserved as per norms and standards of each item of Stores. Steel Racks are desirable for storing materials inside for economy of space and easy handling. Locations should be kept clean and tidy and arranged in a proper manner

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CHAPTER – VI

ISSUES

ISSUE OF STORES

6.1 A printed format duly numbered and signed by competent authority becomes a voucher. The Demand and Issue Voucher as per [Appendix – 8](#) will be raised in triplicate. Original and duplicate copy will be forwarded to Central Record Section after entering the transactions in Bin Cards. Third copy will be handed over along with material to the collecting official who will surrender the same at the gate. The duplicate copy duly priced shall be sent by Record Section to Indenting Section.

6.2 Demand and Issue Voucher

This is a document prepared in triplicate for the purpose of drawing material from Stores giving the following information: -

- i. Demand and Issue Voucher No.:
- ii. Name of the Section demanding material :
- iii. Description of material demanded :
- iv. Unit of measurement :
- v. Quantity demanded :
- vi. Quantity issued :
- vii. Value of material issued :
- viii. Posting details :
- ix. Purpose of requirement :

6.3 Partial Issues

In case the materials are partially available, the quantity available will be issued and for the balance, it should be included in the non-availability list and forwarded to Stores and Purchase Officer for necessary procurement action.

6.3.1 While in both the cases i.e. non-availability and partial availability, the voucher should indicate for the information of the indenting departments for their necessary follow-up action.

6.4 Issue of Stores to Job Works

The material required to be issued to the Contractors against works awarded to them will be effected through the material requisition duly signed by the in-charge of the works on format at [Appendix – 9](#) in quadruplicate. The voucher should be checked for the correctness of the nomenclature and quantity demanded. In case the material is not available or partially available in stock, the same will be included in the non-availability list and submitted to the concerned Stores & Purchase Officer for taking further action.

6.5 Issue of Spares / Stores in M. T. Workshop

6.5.1 Issue of Spare Parts

- i. When users send a vehicle / CFT / equipment for servicing / repair to any M. T. Section / Workshop, they should do so on a work order. A job-card is to be opened when vehicle/CFT/equipment is received for servicing / repairing in any M. T. Workshop. Format of the Job Card and Work Order are at [Appendix 32 & 33](#) respectively.
- ii. M. T. Sections / Workshops are to maintain a Job Register where each job is to be assigned a job card number, type of vehicle / CFT / equipment received for servicing / repairing, nature of defect, repairs required and the name of the group / individual assigned the job.
- iii. Spare parts are to be issued on the job card on the approval by M. T. Section / Workshop Supervisor or In-charge. Old / unserviceable spare parts are to be returned to Stores against issue of new spare parts. Old/ unserviceable rubber parts, fan belts, oil seals, filters and items of like nature or other consumable items are not be accounted and stocked.
- iv. All routine servicing / repairing is authorized by in-charge MT Section / Workshop. Major repair works / replacements of major assemblies are to be authorized by a technical officer not below the rank of Sr. Manager.
- v. Wherever job-card system operates, job-card itself is treated as indent for issue of stores. Otherwise, spare parts are to be issued against indents placed with Stores Section.
- vi. Details of expenses incurred on repair of vehicles are required to be recorded in the history book of respective vehicles.

6.5.2 Issue of Consumables

- i. Maintenance Job Card is to be opened every month for carrying miscellaneous works in M. T. Section / Workshop during the month.
- ii. Consumables used in the M. T Section/ Workshop like cotton waste, split pins, packing / gasket sheets, emery paper, nails and screws, lubes required for top-up etc. are to be issued on Maintenance Job Card.
- iii. The Maintenance Job Card will be signed by Shop Floor In-charge and the quantities of Stores reflected in the Maintenance Job Card should be written off by means of an Expense Voucher prepared monthly for this purpose alone.

6.5.3 Issue of Tools

- i. One ledger for Tradesmen Tools shall be opened where all the tools shall be

accounted for. The tradesmen hand tools will be struck off the ledger once these are issued to the Tradesmen and when some hand tools with tradesmen shall become unserviceable, same will be returned to the Storekeeper and replacement when provided shall be accordingly entered in the Register and struck off the ledger.

- ii. Special Maintenance Tools and high cost common user tools shall remain in Stores and be accounted for in the Tools Ledger. These tools will be issued to the tradesmen on loan through a separate temporary issue Register and taken by the Store Keeper on completion of work / end of the day as the case may be.
- iii. Disposal of used / unserviceable spares / stores arising in MT Stores

Used and unserviceable spare parts / stores against which the new issues are made are to be treated in the following manner: -

- i. Consumable and Throw Away Type having no resale value

Low cost and consumable item like Repair Kits, Oil Seals, Rubber Garments including Fan Belts, Glass items like Bulbs and Light Covers and other similar consumable items shall not be accounted for in the ledger. Though Mechanic i/c of repairs is to return these items to the Stores, the Storekeeper can destroy these items at the end of the day in the presence of Chargeman / Workshop Superintendent as the case may be.

- ii. Other Consumables having resale value

Items like "Bearings", "Armatures" "Shafts" and other "Ferrous" and "Non-Ferrous Metals" should be taken on charge in the unserviceable columns of Stock Ledger ([Appendix-6](#)). During the time of half-yearly survey reports, such items can be weighed and struck off the ledger and changed into weight of the ferrous & non-ferrous and accordingly be taken on charge and disposed off as per normal disposal instructions. Tubes of tyres and the tyre flaps should be treated likewise and disposed off by weight in Rubber.

- iii. Used / Unserviceable major assemblies / components

These are items like "Radiators", "Gear Box", "Water Pumps", "Engine Assembly" etc. Such items should be taken on charge in the unserviceable column against Stores Ledger proportionate to the quantity issued and shall be accounted for in numbers. During the half-yearly survey reports, such assemblies / components should also be survey reported in numbers and disposed off as per procedure. Tyres of all sizes will be treated as major assemblies and accounted and disposed off accordingly.

6.6 Repairs through Trade (outside repairs)

In case any part of equipment is required to be serviced / repaired by an outside

agency, a copy of the Work Order shall be endorsed to the Storekeeper who will make a Dues-in entry in the Bin Card/Ledger. On receipt of repaired material the same will be brought on charge with the copy of the work order and dues in entry shall be regularized.

6.7 Issue of Capital Items

All capital items will be issued on inventory issue / return voucher raised in five copies by inventory holder as per Specimen at [Appendix-10](#). The distribution of copies shall be as under: -

- i. Original and duplicate copies will be handed over to the concerned inventory Storekeeper who after making entries in the Central Inventory Register shall forward original to the Stores Record Section.
- ii. Third and fourth copy shall be given to inventory holder who will surrender 4th copy at the gate.
- iii. Fifth copy is to be sent to Finance Department for recording in the Fixed Assets Register.

6.8 Inventory Issue / Return Voucher

Inventory Issue / Return Voucher is a format for drawing / returning of items of capital nature and shall have the following information: -

- i. From/To
 - ii. Name of the Item
 - iii. Quantity
 - iv. Inventory No., if any
 - v. Purpose
 - vi. Posted on Master Inventory
 - vii. Posted on Departmental Inventory
- 6.9 All material issued on Inventory Issue / Return Voucher shall be under the custody of inventory holder to be detailed by the departmental head. With the 3rd copy of the Issue Voucher, the inventory holder will ensure that proper entries are made in the departmental inventory register regularly.
- 6.9.1 Whenever an inventory holder goes on long leave exceeding 30 days / transfer / retirement, the head of the department should detail a replacement and ensure proper handing and taking over is carried out before he relieves the person. In this case, 100 % physical verification should be carried out by the new inventory holder. A certificate to this effect should be recorded on the appropriate page of the Master Inventory Register maintained in the Inventory Section of the Stores and Purchase and in the departmental Inventory Register should be signed by both the Inventory holders as handing and taking over.
- 6.9.2 One key of Stores being held by a Storekeeper / Stock Holder shall remain with the Storekeeper/Stock holder and the duplicate key of the Stores shall be under the custody of the head of the Stores Dept. All duplicate keys of each Stores shall be kept in a keyboard, which shall remain locked & sealed under the

signature of the head of the Stores Deptt. In the absence of stock holder, either due to short duration leave, sickness or to attend any course, Head of the Deptt. shall get the Stores opened in his presence to draw or to Store any material and shall keep record of all such drawals / storage of material to be intimated to Storekeeper on his return.

6.10 Inventory Control Register

Assets will be controlled on an Inventory Register with the following information as per [Appendix - 11](#).

- i. Name of Assets and Location
- ii. Date
- iii. Received from / Issued to
- iv. Quantity received
- v. Quantity issued
- vi. Balance in Stock
- vii. Voucher number
- viii. Cost of Asset
- ix. Remarks, if any

6.11 Uniform and Liveries

- i. All items of uniform and liveries are to be issued to the staff as per the pattern and scale stipulated in the uniform schedule.
- ii. On receipt of cloth from the suppliers, the same will be brought on charge and issued to the tailoring contractors or to the individuals as per the instructions received from Headquarters from time to time for stitching the uniform.
- iii. Issue to individuals shall be made after taking signature of the official on the Liveries Issue Register maintained in Stores Department as per [Appendix-37](#).
- iv. Consolidated demand and issue vouchers will be raised by the concerned Storekeeper in-charge of Liveries in support of individual issues made in Livery Issue Register. Entries will be made in Livery Stock Register and original will be forwarded to Stock Record Section and duplicate shall be retained by him.

6.12 Random Checks of Stores.

Regional Executive Director / Airport Director / In-charge of the Station should periodically nominate a Sr. Officer who will check at random issue vouchers raised and justification of stores demanded and also test-check stock balance of few items based on ledger balance vis-à-vis stock held in ground. In case any discrepancies are noticed, remedial action should be taken under the instructions of Airport Director / Station In-charge. Regional Headquarters / Corporate Headquarters, AAI may also get the Stores checked and certain transactions verified by detailing their own staff officers from time to time.

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CHAPTER VII

DESPATCH

7.1 When the materials are forwarded on behalf of other Airports the same are to be despatched by a convenient mode of transport or as advised by the consignee. The despatch details along with the Railway Receipt, Lorry Receipt, Airway Bill etc. should be immediately forwarded to the consignee for taking delivery of the material.

7.2 In case the material is packed at the Airport, 3 copies of packing note as per the format at [Appendix-12](#) shall be prepared (in addition to the documents as stated vide Para 4.4.3 of Chapter IV). One copy will be kept inside the case, 2nd copy will be sent with despatch documents and 3rd copy shall be retained in despatch section.

7.3 Packing Slip:

Packing Slip is a note prepared in triplicate for the purpose of identifying the items packed at the receiver's end. This will have the following information: -

- i. Name of consignee
- ii. Consignor's reference and date
- iii. Items packed
- iv. Quantity packed
- v. Packed in the presence of
- vi. Packed by
- vii. Special remarks, if any

7.4 In case of any discrepancies, on receipt of consignment, the consignee will immediately inform the consignor with full detail of discrepancies and action taken at their end.

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CHAPTER – VIII

STOCK VERIFICATION

- 8.1 It is the process of physical accounting, measuring or weighing the complete items in the Stores and recording in a systematic manner. This helps to ensure that the stock of all the items in the Stores are held as per the Stores Ledger and accordingly reflected in the stock verification.
- 8.2 The object of stock verification of inventory in custody of Stores is to ensure that the materials recorded in the Stores Ledger tallies with the physical stock. The stock verification serves as an important back-check on the correct receipt and issue of Stores.
- 8.3 Stock verification should ensure the following: -
- Stores held are tallying with the description and specifications as shown in the ledgers.
- 8.4 The discrepancies detected after thorough verification are to be set right by preparation of necessary documents for adjustments.
- 8.5 Discrepancies generally arise out of the following: -
- 8.5.1 Carelessness at the time of receipt and issue.
 - 8.5.2 Errors of posting in vouchers in the ledgers / bin cards.
 - 8.5.3 Issue of materials without voucher
 - 8.5.4 Deterioration in storage
 - 8.5.5 Pilferage
 - 8.5.6 Receipts without relevant documents.
- 8.6 Final discrepancies revealed in the stock verification after thorough investigation should be referred to competent authority to write off / write down action.
- 8.7.1 Stock verification sheets will be prepared in 4 copies by stock verification cell as per [Appendix –13](#). Original will be sent to Stock Record Cell, duplicate will be forwarded to concerned Storekeeper, 3rd copy will be sent to Stores Officer for maintaining the follow up action and the last copy shall be retained with stock verification cell.

Stock Verification Sheet: Stock Verification Sheet is a document prepared for physical verification of stock carried out. The format will contain the following information: -

- i. Stock Verification Serial No.
- ii. Date of Verification
- iii. Particulars of Stores
- iv. Stock Balance as per Records.

- v. Physical Stock
 - vi. Discrepancies, if any
 - vii. Value of discrepancies.
- 8.7.2 On receipt of copies of stock verification sheets, the stock record clerk will draw red line leaving sufficient space for posting of adjustment entries and the stock sheet shall be entered as per the balance indicated in the stock sheet.
- 8.8 Action on Discrepancies :
- 8.8.1 In case of excess revealed during stock-taking / snap check, a thorough scrutiny of documents has to be carried out by the concerned storekeeper. Final excess should be brought on charge by preparing stock excess note, as per [Appendix – 14](#) in triplicate. The original copy will be forwarded to stock record section after posting in the bin card, second copy will be forwarded to stock verification cell and third copy shall be retained by the concerned storekeeper.
- 8.8.2 Stores Excess Note: It is a voucher raised in triplicate to regularize the excess revealed during stock taking/snap check giving details as under: -
- i. Serial No. & Date
 - ii. Nomenclature
 - iii. Unit of measurement
 - iv. Quantity
 - v. Rate and Value
 - vi. Stock verification reference
 - vii. Remarks, if any

Stock Excess Note will be investigated and got approved from R.E.D / Airport Director / Station-in-Charge before posting in the Stock Ledger.

8.8.3 Shortages / Damages

In case of shortages, damages, write off / write down voucher as per [Appendix – 15](#) will be posted preceding stock verification entry in the relevant documents as per Para 8.7.2. Losses due to evaporation, handling, perishable etc., may be written off in the normal process giving justification.

8.8.4 Write off / Write down Voucher :

Write off / Write down Voucher is a document prepared in triplicate to write off / write down the discrepancies observed and for taking corrective measures, in adjusting the stock records. It will contain the following information: -

- i. Serial No. & Date
- ii. Description of Stores
- iii. Stock sheet reference
- iv. Unit of measurement
- v. Quantity found short/damaged

- vii. Value
- viii. Reasons for write off / write down
- viii. Posted by

All Write Off / Write Down Vouchers will be posted on the Stock Ledger on the basis of sanction obtained to write off such losses in terms of Para 2.26 of Delegation of Powers.

- 8.8.5 Annual Stock verification of each item of Stores whether capital / consumable is mandatory requirement. A perpetual stores verification shall be carried out by Manager / Asst. Manager as the case may be of all revenue Stores to ensure that each item has been checked at least once in a year. The day he checks the Stores, he will sign and put date against the item checked. Sectional head at random shall check few fast moving consumable items.

For capital items, Airports Director/Station in-charge shall form a committee of Officers in the last quarter of the year to physically check all the capital items held at the Airport / Station.

- 8.8.6 At the end of each financial year, Airport Director / Station in-charge shall forward a certificate to Regional Headquarters that “the stock verification in respect of all the items held in Stores has been carried out in the year _____. Discrepancies found during the stock taking have been regularised under the orders of the Airport Director / Station in-charge”. Any significant losses, however, shall be intimated to Regional Headquarters.

- 8.8.7 Regional Headquarters / International Airports shall likewise undertake the stock verification in the similar manner for the Stores at Regional Headquarters / International Airports and forward a certificate to the Corporate Office in the manner described at Para 8.8.6.

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CHAPTER – IX

DISPOSAL OF SCRAP/UNSERVICEABLE MATERIAL INCLUDING CAPITAL ASSETS AND OBSOLETE STORES

9.1 In any efficient inventory management system, it is prudent to dispose off the inventory at an appropriate time to avoid expenditure on inventory carrying costs and maximize returns. Following situations give rise for such actions: -

- i. When any item of stores shows no movement for considerable time and there is hardly any likelihood of its use in foreseeable future, such stores are to be treated as surplus to the requirement and disposed off.
- ii. When due to technological changes or closure of a particular industry, it is not possible to economically maintain a capital equipment including vehicles etc. and the Technical Department determines that it is a better option to phase out the equipment. Such vehicles/equipment should be declared obsolete and disposed off accordingly. Similarly, in situations when certain inventory is held for maintenance of particular capital asset, which itself has become obsolete, in this situation, the inventory is no longer required and should also be declared obsolete and disposed off.
- iii. When any capital asset has outlived its normal life and is to be replaced due to normal wear and tear. The current life span of various vehicles / equipment / capital assets is indicated at [Appendix – 36](#).
- iv. Where though the capital asset has not outlived its life as per the laid down norms but for technical / operations reasons, it is desired to dispose it off.
- v. Other Scrap arising of whatever reasons.

9.2 In all such cases, a survey report of stores will be prepared in two copies as per [Appendix-18](#). Survey report should have following information: -

- i. Survey Report Number
- ii. Description of Items
- iii. Quantity
- iv. Date of Purchase
- v. Purchase Price
- vi. Depreciated / Book Value
- vii. Reserve Price
- viii. Reasons for Disposal
- ix. Mode of Disposal

9.3 Composition of Survey Committee

The survey committee should normally comprise of head of the concerned department / division / section in whose custody the asset is held, an officer from

Department of Finance and one officer from any other Department, preferably from Stores and Purchase / Engineering. The composition of the survey committee should be approved by the competent authority who is empowered to accept the recommendations of the survey report in case of field stations including Regions / IAD Airports. In case of assets survey of which needs approval of authorities at Hqrs., the Regional Executive Directors / Airport Directors (IAD) may constitute the survey committee.

- 9.4 In case of vehicles / equipment, an inspection report should precede the survey report. This inspection report should be prepared as per [Appendix- 18\(A\)](#).
- 9.5 The survey reports are to be approved by the competent authority as per Delegation of Powers. In the current Delegation of Powers, the powers of Regional Executive Directors / Airport Director (IAD) and other field officers are given at Para 2.23, 2.24 & 2.25.
- 9.6 Any item, acquisition cost of which is more than the powers delegated to the officers in the field, should be survey reported in the recommended manner and forwarded to the Headquarters with the recommendations of RED/Airport Director (IAD) for acceptance and disposal action under the powers of Hqrs. officers.
- 9.7 Norms for fixing the Reserve Price

The guiding principle to fix the reserve price should be maximum returns for the organization but keeping with the ground realities. For example, a Diesel Forklift Truck purchased for Rs.7 Lakhs can be sold in the market for more than Rs.1 Lakh whereas a Battery operated Forklift Truck of similar capacity which is purchased at a cost higher than that of Diesel Forklift Truck will fetch not more than Rs.20,000/- to Rs.30,000/- when disposed off. This happens due to the fact that Battery operated Forklift Trucks are normally not used in the open market. In general, however, following principle should be followed:-

- i. In case of vehicles, which are normally used in the open market as commercial vehicles, the reserve value should be fixed keeping in consideration the book value and the trend in the market for the said model of vehicle. Previous sale price of a particular type and model of the vehicle may also be kept in mind after giving allowance for life of vehicle, after which the sale is proposed and the physical condition of the asset.
- ii. Reserve value for surplus / obsolete inventory should also be fixed keeping in mind whether the stores being declared surplus / obsolete are used in the open market extensively or not. In case of extensive use, the reserve value should be to the tune of approximately 50% of the purchase value and in all other cases, it could be as low as 10% or even at bare minimum i.e. ferrous / non-ferrous scrap by weight.
- iii. Keeping in view the upper and lower limit of reserve value, which can have a huge fluctuation, the deliberated opinion of the survey reporting committee

should be considered as the best option. The Head of the Department holding the asset should be primarily responsible to guide the survey committee with regard to the recommended reserve value. In rare cases, where a consensus could not be arrived at at the field stations and RED / Airport Director (IAD) is convinced that a reference to Hqrs. is unavoidable, the matter can be referred to Executive Directors at Headquarters for a decision.

- iv. Once the reserve value is fixed, effort should be made to dispose off the asset at a cost higher than the reserve value. Where however, it is not possible to do so, the reasons can be recorded and disposal effected as per para 6.21 of Chapter-6 of Delegation of Powers.
- v. Where due to operational reasons, it is necessary to continue use of survey reported capital asset till its replacement is in position and due to this reason it becomes imperative to continue R&M expenditure to maintain such survey reported asset, a reference to this aspect will be made on the body of the survey report itself so that competent authority while approving the survey report, also approves use of the asset after it has been survey reported and also approves incurring of continued R&M expenditure on such asset. Maximum constrain, however, shall be exercised by the authority competent to approve the R&M expenditure on day to day basis to ensure that only limited / vital repairs are carried out in all such cases.

9.8 Disposal of Scrap / Unserviceable Assets

Having obtained the concurrence of competent authority of survey reporting of an asset and fixing its reserve value, the sale can be made either by tender or by auction. Generally, sale of capital assets by a sealed tender process and of unserviceable, scrap and revenue stores by local auction is preferable. When it is decided to sell the material by open tenders, the following action will be taken.

- 9.8.1 Tender forms containing conditions of sale contract and agreement should be drawn up as per specimen at [Appendix-16](#).
- 9.8.2 Tender notices should be issued in newspapers.
- 9.8.3 Tenderer should be asked to deposit a minimum of 25% of the tendered amount as EMD in case of capital assets, especially vehicles etc., failure to deposit the earnest money should disqualify the tender. In case of local auction, the head of the station shall decide the token amount, which has to be deposited by the intending bidders. This amount can be Rs.1000/- for the lots up to the reserve value of Rs.50,000/- and Rs.2,500/- for the lots above this value. The time for taking delivery should be stipulated clearly both in case of tenders and open auction. In case of delay in taking delivery, the clause of Liquidated Damages should apply till a maximum of two weeks failing which the competent authority may decide to withdraw the offer, forfeit the EMD and offer the equipment to the next higher bidder.

- 9.8.1 The Airports Authority of India should reserve the right to withdraw any or all the items at any stage from the sale without assigning any reason.
- 9.8.5 All materials for disposal shall be offered on “as is where is” basis.
- 9.8.6 Delivery of the material will be effected only after production of the receipt for full payment.
- 9.8.7 Storage charges should also be stipulated after the free period of removal.
- 9.8.8 The auction will be conducted either by the Airports Authority itself or through an auctioning firm. The auctioneer is only an agent of the Airports Authority of India and has no authority to add or to alter the conditions of sale by any verbal declaration.
- 9.8.9 A proper Bid Sheet / Register of Sales for the auction with lot number, description of the material, quantity name and address of purchaser, lost bids etc. should be maintained. On completion of auction, the auctioneer should be asked to submit completion reports giving full particulars. Sales tax has to be collected and paid to the State Government where applicable. Only after satisfactory completion of auctions, the commission charges to the auctioneer should be paid. The general conditions of sale by auction are as per [Appendix – 17](#).
- 9.9 Disposal of Throw-Away type items
These items cover
- Such stores which have been completely consumed and have no economic value / life.
 - The items which are not reusable or fit for re-cycling.
- There is no need of fixing the reserve price for such items individually. However, such items should be auctioned on “as is where is” basis as a regular policy, say once in six months or one year depending upon the size of the lot. Airport Directors / Station i/c are authorized to fix the reserve value of such lots and also approve the disposal at their level. Few example of the nature of throw away items are indicated at [Appendix – 18 \(b\)](#).
- 9.10 Powers relating to acceptance of tenders / bids
Approval for acceptance of tenders / bids for disposal of stores declared surplus or unserviceable is to be given by the authorities competent to do so as indicated in delegation of powers. In the current situation, the same are given in Para 6.21.
- 9.11 Survey off an item where purchase price / date of purchase is not available
In such case where purchase price and date of purchase is not available, the custodian of such asset shall give a declaration that to the best of his knowledge, the particular asset is more than ____ years old and purchase price at the time of procurement would not be more than Rs.____. In all probabilities, and all possible efforts were made to locate the relevant details like date of purchase and purchase price but in vain. The head of the department of the custodian of the asset shall also counter sign on the declaration, thereafter the asset shall be treated as any other asset i.e. equivalent to the asset where purchase price is available. The survey committee shall also authenticate the same.

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CHAPTER X

PURCHASE MANUAL

INTRODUCTION

10.1 Airports Authority of India has grown enormously in size and operations during the past years. It is, therefore, necessary for the management to have a complete set of instructions and regulations for procuring materials, equipment and machinery etc. at its Offices for operational use. Such instructions and regulations are provided in this Chapter for making purchase function qualitative and competitive. Primary objectives of purchase functions are: -

- a) ensure uninterrupted flow of materials, supplies and spare parts to operate the organization.
- b) maintain adequate quality standards
- c) find and develop competent suppliers to buy competitively and wisely.
- d) purchase items and services at the lowest ultimate prices
- e) accomplish the purchasing objectives at the lowest level administrative cost.
- f) to serve as an information centre on the knowledge of market process, prices, sources of supply and specifications
- g) active, harmonious and creative working relationship with other functionaries in Airports Authority of India.

10.2 This manual covers the following aspects of purchasing which are of general applicability to all purchasing officers whether located at AAI Headquarters, Regional Headquarters, International Airports or Domestic Airports: -

- a) Definitions
- b) Processing of Procurement Indents and Purchase Requisitions.
- c) Registration of Suppliers
- d) Tender System
- e) Analysis of Bids, Comparative Statement, Selection of Suppliers and Negotiations, if required, Purchase Orders and Follow-up Action to the Purchase Order.
- f) Receipt and Inspection of goods
- g) Clearance of Invoices and Payment to Suppliers.
- h) Vendor / Supplier Analysis and Rating.
- i) Legal aspects of purchase.
- j) Ethical aspects of Purchase

Reports and Returns.

10.3 LEGAL ASPECTS OF PURCHASE

10.3.1 All purchasers should understand the basic principles of commercial law, which will help avoidance of legal involvement and position the organization to successfully pursue or defend itself against law suits.

10.3.2 The Procurement Branch shall get the terms and conditions of the purchase contracts reviewed by Law Department to ensure that essential ingredients of a valid contract are satisfied and that the terms and conditions of the contract are certain, not vague or ambiguous and that these can be executed by both parties.

10.3.3 The purchase officers are acting legally as Agents of the organization. The purchasing officer has a right to expect from the organization a clear understanding as to his duties, responsibilities and actual and apparent authority and is, in turn, expected to perform these duties in a loyal, honest and prudent manner. In his position as a legal agent of the organization, a purchaser is in a position to bind the organization within limits. The purchase officers may be held personally liable under certain conditions when signing contracts. They are liable personally for the commission of any illegal act and this liability holds even though they are unconscious of the illegality of the act and though it is done under directions of supervisor officers/managers.

10.3.4 The essential elements of a valid contract are:

(a) Offer and Acceptance

There should be a lawful offer by one party and lawful acceptance by the other party which results in an agreement.

(b) Legal Relationship or obligation between the parties.

(c) There should be a lawful consideration for the fulfillment of the contract.

(d) The two parties must be legally competent to enter into a valid contract

(e) There should be free and genuine consent of both parties.

10.4 ETHICAL ASPECTS OF PURCHASE

10.4.1 Important Principles of Purchasing Practice :

a) To consider only the interest of the organization in all transactions and to carry out and believe in its established policies and procedures.

b) To be receptive to competent counsel received from one's colleagues.

c) To buy without prejudice seeking to obtain the maximum ultimate value for the expenditure.

- c) Honesty in buying and to denounce all forms of manifestations of commercial bribery.
- e) To show courtesy to all who call on legitimate business mission.
- f) To avoid sharp (shady) practices.

10.4.2 Ethics is, perhaps, the only problem in purchasing that receives widespread adverse publicity. Purchasers are in excellent position to be dishonest if they want to be. Ethical purchasers should not indulge in the following unethical practices: -

- a) Permitting a favoured supplier to examine the quotations of his competitors.
- b) Giving the supplier misleading information to get him to reduce his price.
- c) Using his company's buying power to his own advantage.
- d) Asking suppliers for quotations when they have no chance of getting business.
- e) Having a financial interest in any company that is a supplier of AAI.
- f) Seeking gifts and entertainment from suppliers.

10.5 **DEFINITIONS**

Following definitions are relevant for the purchase function: -

10.5.1 **Cash / Imprest Purchase**

Cash down, over the counter purchases can be made by maintenance divisions for carrying out urgent repairs or to meet unforeseen important but minor requirements of the stations to the extent indicated at para 9.9 of D.O.P. by the officers competent to exercise such powers.

10.5.2 **Spot / Immediate and Unforeseen Purchase**

To reduce the Ordering Cost and meet urgent requirements, purchases upto the limit indicated in Delegation of Powers Para 9.9 can be made by respective officers without calling formal quotations etc. These can be made by market enquiries and purchase orders can be raised on such enquiries. There should, however, be no deliberate attempts to split the requirement so as to enable purchase through this process.

10.5.3 Purchase through Routine Enquiries

Purchases can be made through routine enquiries / sealed quotations as per following criteria: -

- i. The financial limit per reference for such purchases should not be more than Rs. 5 Lakhs.
- ii. Such purchases have to be made from manufacturers/ authorized dealers/ distributors / suppliers registered with AAI and other reputed firms.
- iii. A minimum of 3 sealed quotations must be obtained. Any deviation to this should have approval of Competent Authority before opening the quotations.

Note: a) For such cases, there is no need to invite open tenders through press etc.
b) Cases beyond Rs.5 Lakhs where reputed manufacturers have been fully identified, can also be processed under this para with approval of competent authority as per Delegation of Powers.

10.5.4 Purchase through D.G.S. & D./ on DGS&D rate Contract/Kendriya Bhandar/NCCF/NEFED/Super bazaar.

- a) Purchases can be made on DGS&D rate contract as per provision of DOP.
- b) In case more than one party is approved by D.G.S. & D for a particular item of stores, the purchaser will make effort to obtain rate quotations from all such parties to ensure optimum benefit to the authority. This however, shall not apply to the items covered under source standardization, refer 10.8.1. In case of tyres, tubes & batteries.
- c) The stationary items and sanitary items can be procured from Kendriya Bhandar/NCCF/NEFED/Super bazaar as per the Government directives. Such purchases being done under government directives shall be treated at par with purchases covered under Delegation of Power 9.10.(a).1 Open tender

10.5.5 Purchase through Open / Limited Tender

- a) Purchases exceeding Rs.5.00 Lakhs shall be made by process of open tenders through press under normal circumstances.
- b) Where however, the purchases are of proprietary nature, and are made directly from the manufacturers or from their sole selling agents (only in case where manufacturer does not enter into supplies directly as per manufacturer's policy), it is not mandatory to go through open tender process.
- c) Where the manufacturers are few and known, purchases can be made by resorting to limited tenders where the parties are directly approached instead of going through the process of press advertisement. Permission

of competent authority for avoiding press advertisement and floating limited tender must be obtained as per relevant clause of Delegation of Powers.

- d) Limited tenders can also be floated where the parties are registered with AAI for manufacture/supply of a particular item for a particular time period on the basis of open Press Advertisement.

10.5.6 Purchase through Committee

For certain type of stores where writing of specifications is not possible and therefore normal tender process cannot be resorted to, purchases can be made on selection basis through a Purchase Committee. For example, Antiques, Furnishing, Decorative items etc. can be purchased through such Committees. Constitution of such Committees shall be as under: -

- a) Purchase up to Rs.1.00 Lakh (per reference) Manager / Asst. Manager (S&P), an Officer from User Department and a nominated Officer from Finance Department.
- b) Purchase up to Rs.3.00 Lakhs (per reference) Stores Section Head, an Officer from User Department and a Manager level Officer from Finance Department.
- c) Purchase up to Rs.5.00 Lakhs (per reference) Stores Section Head, Head of User Department and an Officer of the level of D. G. M. or Head of the Finance Department as the case may be.

Note : Capital items, however, shall be purchased in accordance with the Delegation of Powers only within the budgeted amount.

10.5.7 Purchase of Proprietary Items

For Single Tender System, where purchases are to be made from the sole manufacturer or from the sole distributor / agent, the price list published by manufacturers will be obtained and percentage of rebate to be allowed by the manufacturer/distributor will be negotiated periodically. The maximum value of the contract shall be as per limits defined in Delegation of Powers.

10.5.8 Purchases by Limited Enquiry System

Limited Enquiry system will be followed for purchases for stocking in case of the proposal below Rs.5.00 Lakhs. Proforma of Enquiry Form is as [Appendix – 23](#) Such limited enquiries shall be offered to following parties: -

- a) Registered with AAI after following due process of registration.

- b) Established sources of supply through Yellow Pages and Directory.
- c) Where the source of supply is normally identifiable.

10.5.9 Purchases through Repeat Order

Such purchases can be made without floating tenders in case following conditions are met: -

- a) Time lapse between the last Purchase Order and the present one shall not be more than one year.
- b) The quantity proposed to be purchased under the Repeat Order shall not be more than 50% of the quantity purchased under the last Purchase Order.
- c) The last Purchase Order was finalized on the basis of competitive bidding.
- d) The Procurement Directorate / Department shall give a certificate that there is no downward trend of prices of the items covered in the proposed repeat order compared to the last Purchase Order.
- e) The repeat order shall not be placed on more than one occasion.

10.5.10 Purchases through Rate Contract

For consumable items, where the total requirement over a period of time is identified but long range stocking/storage is not recommended, due to avoidable blockage of funds, heavy inventory management etc., orders can be finalized based on one time tender where the supplier is informed that supplies will be required on need base or in a phased manner (say once a month, once in a quarter, semester etc.) over a fixed period of time say, one year, two years or three years etc. This aspect, however, should be normally indicated in the tender documents so that AAI obtains the benefit of economy based on the quantity. All such contracts as far as possible should be based on fixed rates and no price escalation be given except in case of statutory increase of Government levies / taxes.

10.5.11 Purchases through Registered / Selected Tenders

A Register of approved Contractors / Suppliers will be maintained by Procurement Department. Guidelines for registration are as under: -

- a) Indigenous manufacturers who are capable of producing Materials / Main equipment and related spares shall be registered. The factory/works will be visited by nominated engineers to study financial condition and production methods including quality control, key business ratios & soundness of working capital position and employee attitude and motivation.
- b) Sole Agents / Distributors of imported Stores and Stockists, in case there are no Agents/Distributors in the country for any particular type or class of goods, shall be registered.

- c) Sole Agents / Distributors / Stockists of indigenous manufacturers when they do not handle marketing directly may be registered provided the Sole Agent / Distributors / Stockists agree to give the manufacturer's Guarantee regarding quality.
- d) Distributors / Authorized Dealers / Sub-Dealers can be considered for registration under special circumstances e. g. vehicle spares even though the indigenous manufacturer may be handling marketing directly.
- e) Registration of Stockists will be done normally by press advertisements where possible. Yellow Pages of Directory can also be referred for this purpose. For smaller Airports / Stations, a committee of two/three officers as the case may be, can survey the market and register the firms for the purpose of future purchases. Such registration as a rule, will not be granted for more than three years at a time. Where Officers from Finance Department are available, at least one representative from Finance Department should also be included in the Committee for such surveys.
- f) Small Scale Industrial Units registered with the Director of Industries of the States may also be registered.

10.5.11.1 Form for Registration:

All firms will have to fill the form enclosed at [Appendix-20](#) before enlistment as approved suppliers/contractors. This also applies to DGS & D and SSI approved firms. The contents of the form may be modified by RED and individual Airports/field units for registration of Stockists to suit local convenience. For smaller stations, the Registration Form can be as simple as indicated as [Appendix 20\(A\)](#).

10.5.11.2 Inspection of Premises:

Premises of the firm may be visited before registration. Premises of Stockists will be invariably inspected.

10.5.11.3 Bank Reference / Financial Position :

If felt necessary a confidential report will be obtained from the Bankers of the firm regarding the financial standing of the firm as well as the limits up to which they can be entrusted with supply order.

10.5.11.4 Copy of Sales tax registration certificate is to be obtained along with application.

10.5.11.5 Approval of Registration

On receipt of the application, certificates, documents and reports of visits where required, each case will be examined on merits and approval granted under the signature of Head of Department in case of Headquarters and Airport Directors / Regional Executive Directors in case of Airports / Regions as the case may be. In case of individual Airports and field units, the registration will be approved by the head of local organization. The registration, as a rule, will not be granted for more than three years at a time.

10.5.11.6 Deregistration:

The performance of all registered suppliers will be continuously reviewed by the purchase executive as a part of post contractual monitoring on the basis of performance variables of quality, timely compliance and completion, rejections, extensions and invoking of any penal deductions insolvency and as per directives of court and if party has gone to arbitration and the dispute is not finally settled. If the performance is unsatisfactory they may be removed from the approved list. Deregistration will be authorized by the authority empowered to grant registration. This will form part of the annual exercise of suppliers / vendor rating.

Any registered supplier or proposed registered supplier, if blacklisted by Central state Govt. departments/PSU/CVC, is not to be considered for pre-qualification/registration

10.6 Debarring / Suspension of Suppliers

When firms are found guilty of unethical practices and/or found violating the contractual obligations or for any other valid reasons, such firms will be debarred from dealing with AAI for a specified period of time not exceeding three years. The word "Firm" shall mean individual firm, group of firms with same proprietors or individual proprietors having interest in more than one firm. These powers will be exercised by Regional Executive Directors and Airport Directors of International Airports in case of field units and Executive Directors of respective Department in case of Corporate Office / Operational Offices. Since such debarring is to be made applicable in the organization as a whole, the authority debarring should inform about such action to all the Regional Executive Directors and Airport Directors of International Airports and Executive Directors at the Corporate Office / Operational Offices. The authority debarring should record detail reasons for such action and shall also inform to Whole Time Member of concerned discipline about such action for his information within a period of two weeks. A Register for such debarring shall be maintained indicating the name and address of the firm, period of debarring, detail reason for taking such action and letter no. & date under which intimation has been sent to the party and all concerned.

10.7 Source Development

Development and identification of new sources of supply and technical assistance are essential for successful purchasing function. It would require constant review and research of Yellow Pages of Telephone Directories, liaison with Manufacturer's Associations and regional Commerce Chambers. This will also help discover indigenous substitutes for items, particularly of imported equipment.

10.8 Special Purchases without Tender Process.

Under certain special conditions, purchases may be made without formal tender procedures but with the concurrence of appropriate accepting authority as per Delegation of Powers. Few examples are as under: -

10.8.1 Source Standardization.

When equivalent or near equivalent item which could serve the purpose are available, but it is decided to purchase from one sources, owing to design, stocking, commonality of inventory and technical know-how etc., such items are to be identified by the Headquarters from time to time. For example, many of tractors are available in the market but we can decide to buy only HMT Tractors in AAI.

10.8.2 Development Orders

If a product is developed by a supplier for AAI, with or without its assistance.

10.8.3 Sample Orders

It is an order placed on prospective supplier for judging his capacity of workmanship for performing the job especially in cases where import substitution is called for.

10.9 ADMINISTRATIVE APPROVAL & EXPENDITURE SANCTION (A/A & E/S)

Before proceeding for the actual procurement action under laid down procedures, Administrative Approval & Expenditure Sanction that amounts to go ahead approval is essentially required. Tender action for capital items under budgeted schemes or otherwise is to be initiated only after taking A/A & E/S.

10.9.1 Administrative Approval:- Formal acceptance of the proposal of a item/project by the competent authority is termed as 'Administrative Approval'.

10.9.2 Expenditure Sanction:- Finance concurrence of the cost of items proposed by the competent authority is termed as 'Expenditure Sanction'.

10.9.3 Capital item:- An item, whose benefits spread over number of years and

working efficiency is gradually decreased due to wear-tear.

10.9.4 **Revenue item:-** An item, which is not capital, is revenue item. It includes items like spare parts, which is required for running the day-to-day operation.

10.9.5 **Type of Expenditure Budget:-**

- Revenue Expenditure Budget: It finds place in the funds for the works of revenue expenditure in nature to be done during the years.
- Capital Expenditure Budget: It organizes in three scheme:-

1. A-1 : Scheme which likely to complete during the same financial year
2. A-2 : Critical on going scheme during the financial year
3. A-3 : It contains new scheme

10.9.6 **Budgeted Scheme:-** The scheme which finds place in the approved Capital Budget is known as Budgeted Scheme. It contains the following information:-

- a. Name of the Scheme
- b. Year of commencement of scheme
- c. Estimate cost : Original and Revise
- d. Actual expenditures up to last Financial Year
- e. Annual Plan expenditure in form of BE for Current Financial Year
- f. Annual Plan expenditure in form of RE for Current Financial Year
- g. Annual Plan expenditure in form of BE for New Financial Year

10.9.7 **Non-Budgeted Scheme:-** The scheme, which does not find place in the approved Capital Budget, is Non-Budgeted Scheme.

10.9.8 **Re-appropriation of funds:-** It is utilization of funds of the scheme which are not likely to be taken up in the financial year concerned and its available funds is likely to be surrendered at the end of Financial Year. Funds for the non-budgeted scheme are to be re-appropriated from the other scheme under the same annual plan with the approval of competent authority as per D.O.P.

10.9.9 Step to be followed while sending any proposal for AA & ES

- Take principle approval for the proposal from the competent authority;
 - Estimate the financial implication involved in the proposal. This estimate can be made by following any of the method:-
- a. If proposed item is one which has been purchased earlier also, consider the price of that purchase orders after adjusting it with current market trends due to inflation, taxes etc.
 - b. If it is manufactured items, sum up the total cost after considering materials, labours, conversion cost and other overheads etc.
 - c. Ask the supplier for the budget quote.

The main object is to arrive at the cost as nearer to actual cost.

- Identify the scheme under which the proposal is falling and assess the funds availability.
- Put up the proposal through AA authority to Finance Department for finance scrutiny and expenditure sanction.
- Finance Department is to scrutiny the proposal from finance angle. After financial concurrence the proposal is recommended for AA & ES by the authority whosoever is competent as per DOP.

10.9.10(a) Proposals relating to budgeted Revenue Expenditure like routinely required items such as house keeping item, stationary, Spares, Components, and routinely required Repairs such as Overhauling of Equipment, Maintenance, Repair Jobs/Contract, Replacement of Parts, Servicing of Equipments, shall be processed and Approval accorded by competent authority. A/A & E/S need not be obtained separately.

(b) A/A & E/S is to be obtained in case of special repair projects, import of spares under revenue schemes.

10.9.11 After obtaining AA & ES, a sanction is to be issued under intimation to Finance and concerned department.

10.9.12 Thereafter the procurement action is to be initiated like formulation of specification and NIT.

10.9.13 **MIS Report:-** A monthly progress reports is required to prepare and submit to Budget Section for reconciliation and onward submission to higher authority who assess the progress of Capital Expenditure.

TENDER SYSTEM

10.10 GENERAL

10.10.1 Processing of Procurement Indents and Purchase Requisitions

10.10.1.1 Purchase Requisition / Indent is a format raised by Indenting Officer for the purchase of Capital Items, Revenue Items (new) and for replenishments. This document will contain information as per [Appendix – 21](#)

10.10.1.2 The requisition which makes the basic act is an Indent for the Procurement of material which is to be made after a thorough scrutiny and at a fairly higher level. This is to eliminate frequent indents and restrict procurement to the minimum requirement only.

10.10.1.3 Indents should be prepared in triplicate as per format on the basis of consumption and justification for requirement to avoid stocking of huge quantity of stores which may not be required for usage in near future.

checks to be exercised while processing purchase indents / requisition: -

- a) Whether item is projected for purchase for the first time.
- b) Last purchase price as per own record.
- c) Correctness of total cost of each item.
- d) Availability of budgetary provision.
- e) Whether the requisition / indent has been approved from administrative as well as financial and technical angle.

10.10.2 Purchase Indents can be categorized as follows: -

- a) Revenue Items
 - i. For new consumable / revenue stores.
 - ii. For replenishments of consumable / revenue stores.
- b) Capital Items
 - i. For new capital equipment.
 - ii. For replacement of capital equipment.

New Requirement

In case of a new requirement, the indenting department should obtain in principle approval from the competent authority. The proposal shall cover the reason for requirement, manpower requirement, justification giving benefits of inducting item, whether it is an operational requirement or not, possible vendors, broad features required, etc. On receipt of in principle approval, the purchasing department shall process it for procurement. Technical specifications shall be prepared in consultation with the indenting department. While preparing specifications the following aspects should be kept in mind

- (i) Number of Suppliers available to supply the item with proposed specification.
- (ii) Implication of cost while selecting special features/ additional features.
- (iii) The specification should be framed taking all aspects into consideration and change of specifications after finalization of NIT or during the course of tender processing should be strictly avoided.

Replacement Item

In case of replacement of an existing capital item, Survey Report of existing item is to be got approved as per the policy. In case of any improvement or a different item is considered for replacement such details shall be finalized in consultation with the indenting department. While such changes are sought, the reason with justifications, analysis of cost implication, availability of suppliers for such items, details of similar item in use with AAI, etc., shall be put up to the competent authority for approval.

10.10.3 Opening of Case

As soon as the procurement indent/purchase requisition is registered in the progress register, a separate file will be opened for each requisition. A History Sheet will be pasted on the inside part of the file cover. Specimen of History Sheet is enclosed at [Appendix - 22](#).

10.10.4 Value of Demand / Requisition

Depending upon the total value as assessed by provision branch, the procurement branch will decide upon type of procurement to be followed.

10.10.5 PROCUREMENT STAGES FOR CAPITAL ITEMS

A/A & E/S: proposal to be put up to the competent authority as per Delegation of Power giving brief history of the requirement, estimated cost, budget provision, mode of procurement. The proposal will be scrutinized and concurred by Finance Deptt. before accord of A/A & E/S by competent authority.

Depending upon the equipment to be purchased, appropriate decision is to be taken at the time of putting the proposal for AA/ES whether recommended spares are to be procured along with the equipment or comprehensive on site warranty contract is to be awarded at the time of placement of order. The following factors are to be considered in this regard.

- In case the equipment is well known, tested & being used in AAI for a long time, tender may be invited along with predetermined recommended spare parts & evaluation is to be made in totality.
- In case the equipment is being purchased first time or the recommended spares are not known or we are not equipped to maintain it departmentally, it is desirable to invite the tender along with comprehensive on site warranty (comprehensive maintenance contract) which includes cost of spare and labour support and evaluation is to be made in totality. The period of comprehensive on site warranty may be determined based on the type of equipment being purchased.
- Precautions in the form of security deposit for sufficient period is to be kept to ensure that the firm does not back out from the comprehensive on site warranty or A.M.C.
- **TECHNICAL SANCTION:** Justified cost and detailed technical specifications to be put up to the competent authority as per DOP for approval.
- **PREPARATION OF NIT:** NIT should be prepared in consultation with user Deptt. And put up to competent authority as per DOP for approval. Care should be taken to define the pre-qualifying criteria like capability with respect personnel, equipment and manufacturing facilities, experience in past performance on similar contracts, financial standing etc. in conformity to the CVC guidelines.
- **INVITATION OF TENDER:** The mode of procurement approved in the A/A & E/S to be followed.
- **TECHNICAL EVALUATION:** A committee constituted for technical evaluation should evaluate the offers based on the NIT requirements and recommend for opening of commercial bids.

Note: Assets can be procured as a new requirement or as a replacement. In case of new requirement the approving authority is Member or Chairman at Hqrs. and in case of replacement assets, the procurement can be done against an approved survey report of old asset. CNS (P) dept. is responsible for planning and procurement of equipments for induction of new systems to support air navigation services in accordance with Regional & Global Air Navigation Plans of ICAO. As such, CNS (P) department would be its own indenter.

10.10.5.1 Preparation of NIT and sale of Tender Documents.

- a) NITs should be prepared by the officials of the Department initiating the purchase action with the help of Technical / Indenting Department etc. with regards to technical details and specifications etc. Other tender pre-sale conditions should also be worked out in consultation with Indenting Department. Requirement of EMD amount indicated in the tender and the cost of tender documents etc. shall be as per prevailing policy of AAI. Following action to be ensured by the Purchase Department before NIT is to be put up for approval.

- i. The norms for pricing of tender documents and amount of EMD as per existing policy are as under: -

Tender Documents

Works Costing up to Rs.1 Lakh	-	Rs.150.00
Works Costing more than Rs. 1 Lakh and Up to Rs.50 Lakhs	-	Rs.500.00
Works costing more than Rs.50 Lakhs and Up to Rs.2 Crores	-	Rs.1000.00
Works costing above 2 Crores.	-	Rs.1500.00

A register for sale of tender is to be maintained by the respective departments selling the tender documents indicating the sale of tender documents and the deposit of the money with the respective cash section

Earnest Money Deposit.

The amount of Earnest Money to be deposited with each tender is 2.50% of the estimated cost put to tender by DD up to Rs 1 Lakh and by DD or Bank Guarantee in case it works out more than Rs 1 Lakh .

- ii. Proper indent along with technical specifications etc. from the Indenting Department.
- iii. Ensure estimate of costs in consultation with Indenting Department
- iv. Ensure there is budget provision for the estimated amount.
- v. AA & ES from the competent authority as per Delegation of Powers are obtained.
- vi. Technical Sanction from competent authority as per Delegation of Powers is obtained.

- b) NIT should then be framed in consultation with Indenting Department.

Indenting Department should also guide the Purchasing Department with regard to exact technical specifications and tender pre-sale conditions etc. Having fulfilled the above requirements, Purchase Department should frame Press Notification etc. for the tender and the NIT and get the same approved from the competent authority who is authorized to approve such technical specs and NITs as per Delegation of Powers. Sale of tender should then be resorted to by the Purchase Department strictly in terms of pre-sale tender conditions. NIT should be prepared in line with the approved AA&ES and specifications.

- c) Adequate notice should be given for sale of tenders. Likewise, sufficient time should also be given to the tenderers to submit their bids after the date of sale of tenders is closed. Ordinarily period of sale of tender should not be less than three weeks. However, in case of exigencies, this period can be reduced as per discretion of authority competent to award the final work as per Delegation of Powers who shall record the reasons for reducing the period for such sale of tender etc. Ordinarily, at least two working days should be given between the last date of sale of tenders and submission of bids to allow parties purchasing the tender on the last date and go through it carefully and complete the formalities with regard to tender documents / EMD etc. Where, however, certain samples, test report, specific documents etc. are desired, such gap between the last date of sale of tender and the date of submission of the tender should be 15-30 days. For example, if a sample has to be fabricated as per our specifications, such time gap can be 30 days and in case where samples are produced by the tenderers as per their normal business or can be produced by bought out items, such gap can be 15 days or so. This should give equal opportunity to all the parties and remove the cause of complaint.

The requirement is given wide publicity by advertising in the Newspapers to attract all possible sources of supply. Advertisement should be in three or four Newspapers of repute including local language. In case of tenders of below Rs.25 Lakhs, advertisement should be published under "classified" column and those above Rs.25 Lakhs, should be published under "Display" column. As far as possible, such advertisements should be restricted to local stations to avoid heavy tendering costs. In such cases, it will also be worthwhile to give an advertisement in the Indian Trade Journal published by Director General of Commercial Intelligence and Statistics. Where however, it is considered fit to advertise on all-India basis, the stations of such advertisements etc. should be clearly spelt and approved by an officer not below the rank of Executive Director / Head of Department.

- e) Broad Guidelines regarding tender procedures are placed at [Appendix – 35](#).

10.10.5.2 Two Bid System

As far as possible, all open tenders should be on two bid system basis. In other words, the intending tenderers are requested to submit their tenders in two separate sealed envelopes called Technical and Commercial Bids.

- a) Technical Bid

Technical Bid shall be opened on the date of opening of tender by a tender opening committee which must have representative from Department of Finance and in presence of those tendering parties who wish to be represented. Such Committees shall be formed with the approval of H.O.Ds. at the Headquarters and R.E.D. / Airport Director / Station-in-

Charge in case of field units. Technical bids normally shall have following documents: -

- i. Documents pertaining to pre-tender sale conditions. e.g. Experience Certificate, Financial Report etc.
- ii. Earnest Money Deposit as per terms of NIT.
- iii. Technical Specifications of the items on offer vis-à-vis Technical Specifications as demanded in the NIT.
- iv. Time of completion of work / supply.
- v. Acceptance of the terms and conditions of the tender.
- vi. Any other documents relevant to the case as deemed necessary by Competent Authority approving the NIT.

On the date of opening of the tenders, only Technical Bids will be opened by the tender opening committee. The Tender Opening Committee should sign on all the papers received with the Technical Bid, serially mark all the papers and write number of papers received with the Technical Bid on page 1.

The sealed Commercial Bids as received from the tenderers shall be separated and sealed in a cover to be duly signed by all members of tender opening committee and kept in the custody of concerned Department. A designated officer of the concerned Department shall be responsible to ensure safekeeping of the sealed Commercial Bids.

Time gap between the date of technical bid and commercial bid should normally be absolute minimum. This time should be utilized for scrutinizing the technical bids carefully and for seeking any clarifications etc. from the tenderers on their technical bids so as to provide all the parties with equal opportunity and level playing ground. Any doubts in the mind of officers of the Purchase Department with regards to any document submitted by the tenderer or any pre-conditions given by the tenderer etc. which are not in line with the NIT conditions should also be got clarified in this time.

It shall be noted that the officials of Purchase Department should not normally take any such action in the intervening period, which may provide or seem to provide undue favour to any one tendering party.

Evaluation of Technical Bids should be made by purchase department with the help of user department and the parties whose Technical Bids are found correct should be shortlisted. Reasons for rejecting the Technical Bids of parties, if any should be recorded. Advice of Law Department on legal aspect and Finance Department on financial papers / matters can be sought, if required.

The evaluation of technical bid shall be carried out strictly in accordance with specifications and qualifying conditions stated in the tender. The technical evaluation report shall be accepted by the competent authority as per DOP for tender acceptance.

b) Commercial Bid

Commercial Bids of only those parties, whose Technical Bids are found qualified shall be opened by a tender opening committee after seeking the approval of competent authority to award the work. Tender opening committee should normally comprise three officers one of which from Department of Finance and the bids must be opened in the presence of tendering parties present at the time of opening of Commercial Bids. Commercial bids should contain the following documents: -

- i. Net rates along with the break-down which shall include Taxes, Duties & Levies, Transportation Charges and Transit Insurance where necessary, Packing & Forwarding and other miscellaneous Overheads etc.
- ii. The Commercial Bid should be a straight forward affair and conditional offers are not to be accepted.

The details of rates obtained in the Commercial Bid shall also be maintained in the Tender Opening Register. The opened Commercial Bids and Tender Opening Register should be got signed from the tender opening committee and tenderers present. The reasons for not opening any commercial bid should be recorded in the Tender Opening Register before opening the commercial bids of other parties.

c) Validity of the Tender

The validity of the tenders normally should be 90 days during which time, all the tenders should be finalized. However, in case of running contracts, the validity of the tenders / rates etc. shall remain valid till the term of the running contract

10.10.6 Treatment of Delayed Tenders:

Delayed Tender: Tenders which had been posted in time but received after the opening of tenders are called delayed tenders. Such tenders shall not be treated as valid tenders.

Late Tenders : All tenders posted and received after the tender opening time shall be treated as late tenders and rejected outright.

Unsolicited bids even though they may be lowest will not be considered/entertained

10.10.7 Preparation of Comparative Statement of Tenders (CST):

All tenders will be recorded on Comparative Statement in duplicate. While opening/recording of tenders, no opportunity should be given to any tenderer to repudiate, amend or explain the rate or any condition quoted in the tender. The rates quoted will be recorded both in figures and words. The bids conforming to the specifications and lowest in value shall be rated in the CST as lowest (L-1), second lowest (L-2), third lowest (L-3) and so on. After the CST has been checked and rating done the material management department shall sign and forward the same along with its recommendations for purchases to the competent authority for approval.

10.10.8 Price Preference:

Being a Commercial Organization, purchases made by the organization should be strictly decided by commercial / technical consideration. However, statutory provisions of law for preference / concessions, if any will have to be followed.

10.10.9 Criteria for selecting tender :

The following criteria are relevant which should be taken into account before placing the orders:

- a) Adherence to technical specifications and quality prescribed.
- b) Competitiveness.
- c) Delivery Period.
- d) Adherence to standard contract terms.
- e) Acceptance of tender.

10.10.10 Acceptance of Tender :

- i. On opening the commercial bids, the lowest quoted tender (L-1 party) should be accepted for award of work.
- ii. In case the L-1 Party does not accept the order or execute the work due to any reasons, the Earnest Money Deposit in this case should be forfeited and fresh tenders invited.

10.10.11 Communication of acceptance :

- c) The successful tenderer shall be communicated through the media of Purchase / Supply Order.
- b) In case Purchase / Supply Order is not possible immediately, a Letter of Intent can also be issued.
- c) Following Annexes are enclosed for the purpose indicated against each :
- | | | |
|---------------------------------|---|----------------------------------|
| Appendix – 24 | - | Press Advertisement of NIT |
| Appendix – 25 | - | Tender Documents |
| Appendix – 26 | - | Comparative Statement of Tenders |
| Appendix – 27 | - | Letter of Intent |
| Appendix – 28 | - | Purchase / Supply Order. |
| Appendix – 28 A | - | Termination of Purchase Order |
| Appendix – 29 | - | Agreement Proforma |
| Appendix – 30 | - | Bank Guarantee Proforma |

10.10.12 Amendment to Purchase/Supply Orders :

Amendment involving change in Technical Specifications, Quantity, Price, Delivery Schedule etc. shall not be normally done except to correct clerical / typographical error. Financial implication of changes in specification will be carefully seen.

10.10.13 Extension of Delivery Period :

Extension of Delivery Period will be granted formally after consulting the indentor / requisitioner whenever required. Extension may be granted with or without reserving the purchasers right to levy liquidated damages depending upon the merit of the case. Following will be examined carefully.

- a) Delivery date for replacement of rejected stores beyond the original date for completion of delivery may be granted for a reasonable period depending upon the time taken to inform the supplier giving details of rejected stores, and reinspection when fresh stores are tendered as replacement.
- b) The incidence of new duties / revised taxes imposed by the Govt. during the extended period of delivery as the same will be passed by the supplier to the purchaser.
- c) If the contract contains no price variation clause, such increases need not be paid by the purchaser. However, in the letter amending the delivery period, it will be made clear that notwithstanding the price variation clause, no increase in price will be granted.
- d) In case of DGS & D supplier, no extension shall be granted by the DGS & D without consulting the indentor.
- e) Extension of Delivery Period with or without Liquidated Damages may be granted after seeking approval from the competent authority authorized to grant such extension as per Delegation of Powers.

- f) The standard quantum of Liquidated Damages/Penalty recommended for the Operations Department's Stores is 1% of undelivered stores per week or part there of subject to a maximum of 5% of contract price. In case the delay exceeds five weeks from the scheduled date of supply, the Purchaser shall have the right to terminate the contract at the risk and cost of the contractor.

Note : *The percentage of Liquidated Damages/penalty and the time frame as indicated above may change on case to case basis. Any deviation however, from the above rule shall be specifically brought to the notice of competent authority approving the NIT and got approved by him / her. The maximum limit of extension of time can also be likewise changed on case to case basis with the approval of authority competent to approve the NIT.*

10.10.14 Negotiations :

10.10.14.1 Although negotiations are generally frowned upon, at times these are inevitable in the interest of the organization. Negotiations deal with following aspects:

- a) Financial Aspects The basic price, price variation, liquidated damages, security deposits and discounts.
- b) Supply Aspects Total quantity, rate of delivery / schedule, the destination for delivery, duration of contract and quality control.
- c) Material Aspects Specifications, inspection arrangements, coordination with other contracts and quality assurance.
- d) Transport and Packaging, handling, transportation and other Handling Aspects costs.

10.10.14.2 Negotiations should be conducted at the appropriate managerial levels of both parties. The proposals made during negotiation must be technically and commercially acceptable and both parties should agree to reasonable and fair offers.

10.10.14.3 As far as possible, negotiations should be within the broad ambit of NIT. Negotiations should be made only for major purchases and particularly for purchase of capital equipment where competitive price is not always obtainable.

10.10.14.4 Where the lowest acceptable rate received against a tender is considered high, and if negotiations are considered necessary, the following course of action is to be taken: -

- a) The justified cost worked out by Purchase Department keeping in view the development which might have taken place from the date of making original estimate till the date of working out of the justified cost (To the extent possible, justified cost should be worked out before opening of the

Commercial Bid).

- b) Such negotiations will be made with lowest tenderer only.
- c) All tender negotiations should be conducted by Purchase Department after due authorization by competent authority and a representative from Department of Finance should always be included in the Negotiations Committee.
- d) Negotiations should be held only with authorized representative of the tenderer who has the authority to take decisions with respect to technical and financial aspect of the transaction.
- e) The proceedings of the negotiations should be immediately recorded and the letter to the effect of such negotiations to be obtained from the authorized representative of the tenderer. Such letter should be initialed by Negotiations Committee.
- f) Latest Policy Guidelines laid down by Department / CVC etc. with regard to such negotiations should be taken note of. It will be the responsibility of the Negotiations Committee to ensure that such instructions are complied with.

10.10.15 Follow Up Actions

Follow up actions will be taken by Purchase Officers:

- a) Obtain Supplier’s acknowledgement for receipt of Purchase / Supply order. This will ensure that they have accepted the prescribed delivery schedule.
- b) Systematically review all dates of deliveries and expedite defaulting suppliers. For this purpose, a follow up diary with 52 pages (one page for each week) is prescribed to be maintained by Purchase Officer as well as by Coordination Section of Procurement Branch. The diary may have following layout:: -

PURCHASE FOLLOW UP DIARY FOR WEEK ENDING _____

PO/S O NO. & DATE	DATE ON WHICH DUE	EXTENDE D DELIVER Y UP TO	QTY. DELIVER ED	DATE S DUE	BALAN CE DUE	REMAR KS
1	2	3	4	5	6	7

c) Whenever a consignment due in a particular week does not materialize, it will be carried forward to the next week automatically or to the week to which the delivery has been extended. Reminder at appropriate level

will be issued to chase deliveries. Copies of extension letter will be endorsed to the recipient of stores for information. Similarly, intimation regarding cancellation of PO/SO will be intimated to the originator or procurement indent or purchase requisition.

- d) All partly completed and outstanding PO/SOs should be reviewed in the first week of each month in conjunction with indenter / requisitioner to decide whether the order should be cancelled and retendered as also to stagger or rephase the supplies or enhance quantities during the remaining period of contract.
- e) The originator of procurement indent / requisition should also expedite supplies.

10.10.16 Despatch of letters to suppliers :

All communications to the suppliers should be normally sent under certificate of posting, excepting when telex / telegraphic & fax messages are sent.

10.10.17 Receipt And Inspection of Purchased Goods :

Normally, acceptance or inspection will be done by Officers other than Purchaser based on the following norms: -

- a) Inspecting Officer or team of Inspection Officers is approved by the competent authority empowered to award the contract as per Delegation of Powers.
- b) The Inspection is carried out strictly as per terms of inspection defined in the tender and PO / SO. Normally, details of inspection etc. are given in NIT and as such, the Inspection Team must carry with them a copy of the NIT also along with the PO before setting out for inspection.
- c) The officers detailed in the Inspection Team should be technically qualified / experienced in the area of Stores / Equipment being inspected. If sufficient number of such officers are available, the officers forming such inspection teams should be rotated.

10.10.18 CLEARANCE OF INVOICES AND PAYMENT OF SUPPLIER'S BILLS :

10.10.18.1 As a general rule, payment for supplies is not permissible unless Stores have been received, verified and taken on charge except in cases where payments have to be made in advance as per terms stipulated in the contract. In any case, the payment will be made in accordance with

Payment Clause contained in the Conditions of Contract and as stipulated in the Supply Order.

10.9.18.2 The Supplier will produce stamped pre-receipted Invoice to the Purchase Officer. These bills linked with receipt from the ultimate consignee and inspection note etc. will be countersigned by the Purchaser and if found correct in all respects, processed further with the Department of Finance. The Finance Department will ensure that : -

- a) Bills are paid on the basis of first come first served.
- b) Bills are not held over a period exceeding 7 days.
- c) Payments will be progressed on Register of Supplier's Bill as given below: -

REGISTER OF SUPPLIER'S BILLS FOR STORES PURCHASED

Supply Order No. & Date	Name of Supplier (Code)	Contractor's Bill No., Date & Amount	Date Bill received from Purchase Branch	Amount deducted from the Bill	Amount actually paid	Cheque No. & Date of Payment	Date ack. by Supplier	Budget Head Ref.	Remarks
1	2	3	4	5	6	7	8	9	10

10.10.18.3 An Acknowledgement Form shall be prepared for the signature of contractor & sent with the forwarding letter enclosing cheque. All cheques will be drawn in favour of "A/c Payee Only".

VENDOR / SUPPLIER'S RATING SYSTEM

10.10.19.1 Appraisal of Supplier's performance or Vendor rating should be done on the basis of simple parameters, which do not involve much calculations and which can be easily quantified. Since the criterion of price is taken care of while processing tenders at CST stage, this can be ignored for purpose of rating.

10.10.19.2 The other two criteria of quality and timely supply as per original delivery schedule will be taken into account. Vendor rating can be evaluated as under: -

- | | | |
|------|--------------------------|--------|
| (a) | Quality Criterion | Symbol |
| i. | Nil Rejections | 'P' |
| ii. | Rejections less than 10% | 'Q' |
| iii. | Rejection more than 10% | 'R' |

(b)

Promptness Criterion:

- i. Prompt Supply (Refers to Original 'X' delivery schedule)
- ii. Delay of less than one month ("Y" & not to extended 'Z' Schedule)
- iii. Delay of more than one month

(c) Performance Matrix Code can now be worked out as under:

PROMPTNESS

QUALITY

PX	PY	PZ
QX	QY	QZ
RX	RY	RZ

(d) Delays beyond the supplier's control may be given due consideration.

10.10.19.3 The rating as per this matrix will be marked in all relevant registers and documents. At the end of the year, Register of Suppliers Part – 2 (Performance Data) will be summarized and consolidated code of rating will be arrived at.

10.10.19.4 The rating code will be the guiding factor for selecting firms for floating of invitation to tender.

10.10.20 Inspection Rights:

The purchaser has a right to inspect the goods before paying for them and reject those not conforming to the terms of the agreement. This inspection must be done within a reasonable time (which could also be mentioned in the NIT).

10.10.21 Right of Rejection:

The purchaser has a right to reject the goods not conforming to the specifications given in the contract. But the goods once accepted can not be rejected subsequently on finding defects therein. If an excess supply is received, the purchaser can reject the quantity in excess of the contract. When the purchaser does not wish to accept wrongly delivered material, he is required to only notify the supplier, he is not legally bound to return the rejected material. But if he neither returns the material nor notifies the supplier within reasonable time of his rejection, he is then obliged to pay for the material. The purchaser has a right to receive the expenses incurred in connection with the rejection. The purchaser should hold the rejected goods on behalf of the supplier till he receives reasonable instructions for their disposal. Proforma for Material Rejection Note is placed at [Appendix-31](#).

10.10.22 Warranties :

- 10.10.22.1 All supply contracts specially with reference to machinery/equipment should have a well defined warranty/guarantee clause as the case may be.
- 10.10.22.2 As far as possible, the guarantee / warranty period should be standardized for similar type of items and should not change.

10.10.23 Order Cancellation and Breach of Contract :

- a) If a supplier fails to deliver the goods against an order by the delivery date agreed in the order or if he fails to perform in accordance with the contract conditions, he commits a breach of contract. The breach gives the purchaser a right to :-
 - i) Cancel the contract and forfeit Earnest Money Deposit/Security Deposit/Performance Guarantee. It is to be ensured that Purchase Order is terminated after serving the proper notices to the agency.
 - ii) Black list / debar the firm for tendering in AAI for 3/5 years.
 - iii) Go for risk and cost purchase.
 - b) In addition, the purchaser can sue the supplier for damages if he so wishes. Purchaser can under the law recover the damages if he actually incurs the same as a result of breach of contract. In case of delivery failure, if the buyer subsequently purchases the material from elsewhere, the damages are generally restricted to the difference between the contract price and the price paid to the new supplier.
 - c) It is normally a sound practice to include in the contract liquidated damages/penalty clause that requires the supplier to pay the purchaser damages for late delivery. It is essential, however, that the figure for damage specified be realistic and not calculated simply to impose a penalty on the supplier. Recommended rate of liquidated damages/penalty has been indicated in Para 10.10.13 (f) of this Manual.
 - d) A termination or recovery of liquidated damages provision represents prior agreement by both parties on the ground rules to be followed in the event of breach of contract.
- 10.10.24 Termination: - AAI reserves the right to terminate or cancel the order in whole or in part by written or telegraphic/fax notice to seller at any time prior to dispatch of shipment from sellers premises. However AAI shall pay the seller his actual out of pocket costs including reasonable termination expenses in connection with cancellation cost. Title of all effected goods, both completed and in process of completion shall pass to AAI and the seller shall safely hold the same for a reasonable time pending receipt of dispatch instructions from AAI. However this clause shall not be applicable in case of termination by AAI due to default by the seller.

CHAPTER XI

IMPORTS

11. Procurement of Imported Equipment :-
- 11.1 The User Department will submit the Indent with complete details / specifications / catalogues etc. along with addresses of available sources of supply to the Materials Department. Where possible, the estimated cost will also be indicated.
- 11.2 Materials Department will find out whether the item falls in the “Prohibited Category” or “Restricted Category” or “Free Category” as per Classification of Export and Import Rules of Ministry of Commerce, Government of India.
- 11.3 In case the item falls under Prohibited Category, the User Department will be informed accordingly. In case of Restricted item, Materials Department will apply for Import License from Ministry of Commerce, Government of India.
- 11.4 On receipt of Import License, where required, normal action to procure the item as per Delegation of Powers shall be processed with. In such cases of imports where the import is to be on “Open General Licence” basis and where the import of the item falls under “Free Category”, Global Tenders as per normal tender procedures have to be called. The earnest money in case of Global Tenders shall be 2.5% of the estimated cost without any upper limit. Such Earnest Money should be sought in the form of Demand Draft only and Bank Guarantee will not be accepted. Global Tenders should invariably have following clauses: -
- a) The rates to be quoted in foreign currency on FOB basis.
 - b) Transit Insurance, Cost of Insurance and Custom Duty in India to be paid in Indian Rupees by the Purchaser. Having received the item from a foreign supplier, after due payment of custom duty, if the item or part thereof is rejected due to any reason and is to be replaced by the foreign supplier, custom duty is not to be paid at the time of receipt of replacement. While sending the rejected / unserviceable item or part thereof, the same should be re-exported with this clause. However, if in an unavoidable situation, such custom duty has to be paid at the time of receipt of replacement, there should be provision in the order that such custom duty to be borne by supplier and not by AAI.
 - c) Since a Letter of Credit is to be opened in the name of foreign suppliers, on finalization of such contracts as per Delegation of Powers, a clear clause will be incorporated in the LC that Bank Charges in India shall be borne by the Purchaser and the same in foreign country are to be borne by supplier and supplier will be made aware of this clause in NIT itself. In case of LC extension the charges will be borne by the party seeking such extension.

- d) In case an inspection is to be carried out before despatch of the goods from the foreign country, the terms for the same should be pre-determined and shall be clearly spelled out in the NIT. Same shall also be true in case of commissioning of the machines etc. and the costs incurred on this account. Normally, it should be the responsibility of the supplier to send his team of engineers from foreign country or from within India if he has the resources in this country to commission the equipment at site and the expenditure on this account should be part of the equipment cost. But where, however, such expenses are to be paid for by the purchaser, in addition to cost of the equipment, the same should be settled before finalizing the order etc. Cost of training and terms thereof, if required in terms of NIT, should also be settled likewise.

11.5 Since normally suppliers insist on opening of LC for 100% payment on proof of inspection and despatch of goods from the port of embarkation, AAI should take a little precaution in writing the clause that “though the LC will be opened for 100% value, only 80% will be released on proof of inspection and despatch from port of embarkation and balance 20% on satisfactory commissioning of the equipment at site in India”.

11.6 Action by Import Section :-

While the imported goods are received, the following action to be taken:-

11.6.1 A copy of Import License will be kept in record.

11.6.2 On receipt of Shipping document and Bill of Lading, a Custom Clearing Agent will be earmarked and documents handed over to such Agent.

11.6.3 It should be ensured that the item is assessed in a particular category and only applicable rate of Custom Duty is paid.

11.6.4 Consignment should be thoroughly inspected and in case of any doubt about its being damaged or pilfered, the Insurance Company should be approached for carrying out survey before the consignment is taken over.

11.6.5 The consignor should be immediately informed about such loss and consignee should raise a claim against the Shipping Company under intimation to the Insurance Company.

11.6.6 The Quadruplicate copy (Exchange Control Copy) of the bill of entry should be sent to the Banker who has opened the Letter of Credit on behalf of the organization to complete Reserve Bank formalities.

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CHAPTER - XII

PROCEDURE FOR PROCUREMENT OF SPARES FOR VEHICLES & MACHINERY AND ENTERING INTO REPAIR & ANNUAL MAINTENANCE CONTRACTS

12. Procedure to be followed for procurement of stores / spares for vehicles / CFTs / machineries etc.

Principles of Procurement

- 12.1 As and when a new type of equipment is procured, there is no past experience to plan on our demands. In such cases, the maintenance spares can be procured on the advice of manufacturer for initial stocking. The most important factor which goes into planning of maximum stock of any items is “the proper lead time”. Experience shows that the lead time of the common user vehicles can be taken as three months, specialist and imported vehicles as of six months / 1 Year. This means that our maximum stock potential should be six months requirement for common user vehicle and one year / 2 years requirement for specialist equipment and imported spares. Taking the lead time into consideration, the minimum stock levels will be 50% of the above quantity i.e. when the stock levels reach three months consumption figure for common user vehicles and six months / 1 year consumption figure for specialist vehicles and imported vehicles, the demands must be placed to recoup the stocks. Last year’s consumption pattern is a time tested method of arriving at a maximum stock potential figure e. g.

$$\text{Annual Stock} = \frac{\text{Last Year Consumption Figure} \times \text{No. of Vehicles held this Year}}{\text{Position} \times \text{No. of Vehicles held Last Year}}$$

Lead-time and maximum stock potential is to be reviewed from time to time as per local conditions.

However, there will be many cases where it is impossible to plan the spares in anticipation of break-down. In such cases an adhoc purchase action is to be taken which will ultimately create future consumption data.

12.2 Procurement of Spare Parts for Automobile and other Machinery

As far as possible, following procedure will be followed to procure the spares for Crash Fire Tenders, General Vehicles and other Plants and Machinery: -

- i. Where the manufacturing parties are themselves selling the spares, like Voltas, Usha Telehoist, BEML, Ashok Leyland etc., these spares should be directly purchased from them as proprietary items. Airport Directors at International Airports / Regional Executive Directors and other field

Officers can procure such spare parts up to the value limits of which have been indicated at Para 9.10(b) in the Delegation of Powers. Cases beyond the powers of Regional Executive Directors / Airport Directors (International Airports Division) should be referred to Headquarters.

- ii. Where the manufacturing parties do not deal with the sale of spares and they authorize a single sale outlet, the purchases can be made through the same sale outlet, which can be termed as purchases through sole selling agents. (Cummins Engine Spares are one such example) Financial limits in this case also should be as per para (i) above.
- iii. Where the manufacturing parties have more than one authorized sale points, the competition should be developed between those authorized sale points on the basis of approved list price subject to percentage rebate offer to AAI. Such arrangement should be done for at least two to three years so that the suppliers take interest in supplying proper and timely spares on economic rates. Where all such outlets give similar percentage of discount, a select list of dealers will be made based on proximity to airport, his stock potential, promptness in supply and whether he exclusively deals with original spares or also keeps other spurious spares in his shop etc. This selection can be made by a Committee of Officers to be formed under orders of Airport Director / Station In-charge with one officer from Department of Finance. Limits of financial delegation are given in Para 9.10(b) of Delegation of Powers.
- iv. Where none of the above three possibilities are available, we should have a register of firms dealing with a particular type of stores used by AAI and it will be appropriate to invite sealed quotations from them to have advantage of rates competition. Normally, such competition should not be developed for more than four to five firms and in case there are more registered firms, quotations should be sent to them and the roaster prepared. Quotations should be sent to different parties on different occasions based on this roaster. For this, it is essential that firms are invited to register themselves with us and we also register some firms on our own taking help of various advertisements in the press and yellow pages of telephone directory. Financial limits in this case should be at par with Para (iii) above. For registration of firms, please refer Para 10.5.8 and [Appendix 20](#).

NOTE

- i. In case of procurements made from manufacturing concerns, sole selling agents and authorized dealers, it should be ensured that the items being supplied are original as per the type and quality supplied with the equipment and are made by manufacturing concern themselves or their approved vendors. In case of open market competition, we should endeavour to write trade/brand name of the product desired or encourage the competitors to clearly indicate the brand or trade mark of the product they are quoting. However, whatever be the mode of purchase,

concurrence of Finance Department and competent authority must be obtained.

- ii. Currently, Delegation of Powers Para 9.10 deals with purchase of stores / consumables / spare parts etc.

12.3 Invariably, following types of repair / maintenance contracts are required to be put into position to ensure smooth functioning of Airports: -

- a) Annual Maintenance Contract of Office Equipment like Typewriters, Fax Machines, Computers etc.
- b) Running Repair Contracts for Plant & Machinery, Vehicles, Generators, CSN equipment, Electronic and Security equipment etc.
- c) Running Repair Contracts for Lounge Furniture etc
- d) Running Contracts on Dry Cleaning of Carpets, Furnishings, Curtains etc.
- e) Any other contract for miscellaneous purposes like disposal of waste paper, hiring of transport etc.

12.3.1 Annual Maintenance Contract for Office Equipment etc.

It is customary that Annual Maintenance Contract for Office Equipment items is to be tied up with original manufacturer where he has such arrangements. Such manufacturers have a printed catalogue for such kind of contracts. However, negotiations may be made with such firms to obtain reasonable rates since the manufacturer will have advantage of running service for number of such equipment at the same place. The Delegation of Powers Para 9.5 should be referred for financial limits.

12.3.2 Running Repair Contracts for Plant & Machinery, Vehicles, Generators, CSN equipment, Electronic and Security equipment etc.

Like in the case of Office equipment, similar arrangements will be made in case of vehicles, machinery, generators, CNS equipment, Electronic and Security equipment etc. In this case, however, there could be a position when manufacturing party does not offer such facilities and AMCs are to be tied up with other service/repair organization undertaking such jobs. In this case, a proper tender action as enumerated in the case of purchase has to be taken. The life of such contracts should invariably be not more than 2-3 years and the tender should accordingly seek the rates for such contract for first year, 2nd year and 3rd year as the case may be. The lowest tenderer will be finalized on the basis of cumulative effect of 3 years' cost. Delegation of Powers Para 9.2 & 9.3 may be referred for financial limits.

12.3.3 Running Repair Contracts for Lounge Furniture etc.

Such running contracts should also invariably be for 2-3 years at a time. While issuing the tender for such contract, the number of items involved in the repair should be identified and estimated rates fixed. The average estimated expenditure on this account should be worked out to near precision and tenders indicating such values should be floated.

The total quantity likely to be required of each item (on approximate basis) during the tenure of contract is to be mentioned in the tender document and L-1 party is to be established on the basis of total financial implication. The user department/ intender may determine the estimated quantity on the basis of past record, conditions of the items to be covered under rate contract etc. It is also to be mentioned in the tender document that the total quantity mentioned is on approximate basis and the actual quantity may differ during the tenure of contract. Where possible, qualification and technical skill of the workmen can also be indicated in the NIT as a pre-condition. Delegation of Powers Para 9.5 may be referred for financial limits.

12.3.4 Running Contracts on Dry Cleaning of Carpets, Furnishings, Curtains etc.

The rules applicable to such type of contracts are similar to the rules in case of Lounge Furniture as mentioned above.

12.4. GUIDELINES TO ANALYZE TECHNICAL BIDS

- i. Since only Technical Bids are to be opened at the time of opening of tenders, care should be taken to analyze the same as per NIT conditions and technical specifications of the Stores/Equipment required. In case of any doubt, which may or can lead to doubtful decision and litigation at a later stage, it is better to clarify in writing with the tenderers before technical bids are finally analyzed.
- ii. Evaluation of Technical Bids should be made by purchase department with the help of user department and the parties whose Technical Bids are found correct should be short-listed. Reasons for rejecting the Technical Bids of parties, if any should be recorded.
- iii. Under normal circumstances, inspection of the firm's premises etc. as a part of analysis of technical bid should be avoided as it may lead to subjectivity in the decision process. Only in case where it is considered to be of utmost importance, such inspections may be made with the approval of authority empowered to award the work. The composition of the Inspection Team should also be got approved from the competent authority. The results of investigation carried out by the team after inspection of the firm's premises should also be got approved from the competent authority before taking favourable or unfavourable decision against the party.
- iv. Where necessary, a reference to Law Dept. / Finance Dept. can also be made at this stage to avoid future complications.
- v. Only after satisfying that all the technical requirements are met, Commercial Bids of only technically acceptable parties shall be opened and earnest money deposits of those firms which are not found suitable should be returned immediately.

CHAPTER XIII

DISPOSAL OF LOST AND FOUND PROPERTY

- 13.1 Lost and found property shall be received by Airport Manager from the finder and entered in his register with details such as place and date of finding.
- 13.2 Airport Manager shall forward the material to lost and found property officer by the next working day.
- 13.3 Cash and Foreign currency shall be directly deposited for further disposal to the Department of Finance & Accounts by Airport Manager and Receipt No. should be quoted in the Register against the respective entries for such cash.
- 13.4 A Lost & Found Property Register will be maintained in the Lost Property Office as given at [Appendix – 19](#).
- 13.5 The Register will contain the following information: -
- i. Serial No.
 - ii. Date of Receipt in Lost Property Office
 - iii. Description of the material
 - iv. Deposited by
 - v. Depositor's signature and date
 - vi. Name and signature of receiving Storekeeper
 - vii. Signature of Stores & Purchase Officer
 - viii. Remarks, if any.
- 13.6 The lost property will be disposed off as per existing rules. (Refer Extraordinary Gazette of India Part-III Section-4, Notification No.3, published on 10th May 1974 amended vide Part-III Section – 4 No.7 published on 21st Feb. 1992 (copies enclosed). The extracts of the Gazette Notification are as follows: -
- “An officer from Stores Department is designated as the Officer who receives, keeps in safe custody and disposes all the lost property materials as per Gazette Notification.
- Any person, who finds any lost property, shall hand it over immediately to an officer (i.e. Operations Manager on duty in the Terminal Building) in the same condition. If the baggage is not claimed within 24 hrs., or there is no suspicion that the baggage contains any explosive material, the same should be handed over to the Lost Property Office. If the baggage are found in unlocked condition, the lost property should be handed over with a list of inventory duly signed as received by the Lost Property Officer.
- Wherever the Lost Property Officer can find out the name and address of the owner, he should try to inform the owner. If the lost properties are not claimed within 3 months from which it was delivered to the Lost Property Officer, Airport Director will take action for its disposal”. Such disposals shall be at regular intervals i.e. half yearly / yearly depending upon volume and nature of accumulated property.
- For details, Gazette Notification refers.
- 13.7 Items of sensitive nature / security hazard for example, uniforms, rank badges, passports, airline tickets etc. should not be auctioned / sold. Their disposal / destruction shall be made with the express approval of R.E.D. / Airport Director / Station-in-Charge. Contents of Gazette Notifications as referred to Para 13.6 shall also be kept in view.

THE GAZETTE OF INDIA
EXTRAORDINARY
PART III – SECTION 4
PUBLISHED BY AUTHORITY

NO.3 NEW DELHI, FRIDAY, MAY 10, 1974 / VAISAKHA 20, 1896

INTERNATIONAL AIRPORTS AUTHORITY OF INDIA
NOTIFICATION
NEW DELHI, THE 10TH MAY 1974

No.1(7)/74-BM. – In exercise of the powers conferred by subsection (1) of Section 37 read with clauses (e) and (f) of sub-section (2) thereof and sub-section (2) of Section 38 of the International Airports Authority Act, 1971 (43 of 1971), the International Airports Authority of India, with the approval of the Central Government hereby makes the following regulations, namely :-

1. **SHORT TITLE, COMMENCEMENT AND APPLICATION** – (1) These regulations may be called the International Airports Authority of India (Lost Property) Regulations, 1974.
 - (2) They shall come into force on the date of their publication in the official Gazette.
 - (3) They shall apply to Bombay (Santa Cruz), Calcutta (Dum Dum), Delhi (Palam) and Madras (Meenambakkam) aerodromes.
2. **DEFINITIONS**-In these regulations, unless the context otherwise requires: -
 - a. “Act” means the International Airports Authority Act, 1971 (43 of 1971);
 - b. “Customs Act” means the Customs Act, 1962 (52 of 1962);
 - c. “Director” means the Director of concerned aerodrome to which these regulations apply;
 - d. “Lost Property” means any property which, while not in proper custody, is found on any premises, belonging to the Authority or under its overall control or in any

...of any such premises.

- e. "Lost Property Office" means any place specified by the Director for the safe keeping of the lost property and any reference to the delivery of the lost property to the Lost Property Office means delivery to an officer at such an Office.
- f. "Officer" means an officer of the Authority other than a Director.

3. LOST PROPERTY TO BE HANDED OVER TO AN OFFICER – Subject to the provisions of the Customs Act and of the rules and regulations made thereunder, any person (other than an Officer) who finds any lost property shall hand it over immediately to an Officer in the same condition in which he finds it and inform the Officer of the circumstances in which it was found.

4. DELIVERY OF LOST PROPERTY TO THE LOST PROPERTY OFFICE- Subject to the provisions of the Customs Act and of the rules and regulations made thereunder, any Officer to whom lost property is handed over under regulation 3, or who himself finds any lost property, shall as soon as possible, but in any case not later than twenty-four hours, deliver such property, for safe custody in the state in which it comes into his possession to the Lost Property Office and inform the Officer at the Lost Property Office of the Circumstances in which it was found.

Provided that before any lost property is delivered for safe custody to the Lost Property Office, if it is claimed by a person who satisfied the Officer that he is the owner, it shall be returned to that person forthwith on his giving his name and address to the Officer, who shall, as soon as possible thereafter report the facts and give the claimant's name and address and description of lost property to the Lost Property Office.

5. RECORDING AND SAFE CUSTODY OF LOST PROPERTY- Any lost property delivered to the Lost Property Office shall be retained in safe custody by the Director until claimed by the owner thereof or disposed off in accordance with Regulation 7 and the Director shall keep, for a period of not less than twelve months, a record showing the particulars of the lost property (whether delivered to the Lost Property Office or returned to the owner under the Proviso to Regulation 4), the circumstance in which it was found and its ultimate disposal.

Provided that Indian currency exceeding five hundred rupees or any other article which is not of Indian origin shall be handed over to the Officer of Customs having jurisdiction over the aerodrome concerned and thereupon such officer shall take such action as he deems fit under the Customs Act and rules and regulations made thereunder:

Provided further that official documents including licences, passports and aliens identity books shall, wherever practicable, be returned forthwith to the appropriate Government department, local authority or other body or person responsible for issuing them or for controlling or dealing with them:

Provided also that where the name and address of the owner of the lost property, other than the documents referred to in the preceding proviso, are readily ascertainable, the Director shall forthwith notify him that the lost property is in his possession and may be claimed in accordance with these regulations.

6. RESTORATION OF LOST PROPERTY – If any lost property, while it is retained in the Lost Property Office in safe custody, be claimed and the claimant proves to the satisfaction of the Director that it belongs to him and he gives his name and address to an Officer at the Lost Property Office, it shall be restored to the claimant at the Lost Property Office.

7. DISPOSAL OF LOST PROPERTY – (1) If any lost property retained by the Director for safe custody under Regulation 5 is not claimed within three months from the date on which it was delivered to Lost Property Office, the Director shall dispose of it for the best price that can reasonably be obtained and in the event of his failure to secure a reasonable price, he shall forthwith report the fact to his superior authority who shall pass such orders as the circumstances of the case may require.

(2) Notwithstanding anything contained in Sub-regulation (1), if any lost property retained by the Director under Regulation 5 is of a perishable nature, and if, within forty-eight hours from the time when it was found it has not been resorted under regulation 6, the Director shall dispose of it for the best price that can reasonably be obtained.

(3) Notwithstanding anything contained in sub-regulation (1) and (2), any lost property which is or which becomes objectionable may forthwith be destroyed or otherwise disposed off in a reasonable manner.

(4) A person whose property has been disposed off under these regulations, shall upon proper verification be entitled to receive the proceeds of the sale, if any, after deduction of the reasonable expenses incurred by the Authority in connection with the sale.

8. EXAMINATION OF LOST PROPERTY - Where any lost property is contained in a package, bag or other receptacle, the Director may cause such package, bag or other receptacle to be opened and the contents examined or require the claimant to open it and submit it and its contents for examination, for the purpose either-

- (a) of identifying and tracing the owner of the lost property, or
- (b) of ascertaining the nature of the contents.

AIR MARSHAL Y.V. MALSE,
CHAIRMAN
INTERNATIONAL AIRPORTS AUTHORITY OF INDIA

**THE GAZETTE OF INDIA : EXTRAORDINARY
(PART III – SEC. 4)**

PUBLISHED BY AUTHORITY

NO.7 NEW DELHI, FRIDAY, FEBRUARY 21,1992 / PHALGUNA 2, 1913

**INTERNATIONAL AIRPORTS AUTHORITY OF INDIA
NOTIFICATION
NEW DELHI, THE 20TH FEBRUARY 1992**

No. I (7)/74-BM In exercise of the powers conferred by Section (1) of Section 37 read with clause (e) and (f) Sub-section (2) thereof and sub-section (2) of section 38, the International Airports Authority Act, 1971 (43 of 1971). The International Airports Authority of India with the previous approval of the Central Government hereby makes the following regulations further to amend the International Airports Authority of India (Lost Property) Regulations 1974, namely: -

1. (1) These regulations may be called the International Airports Authority of India (Lost Property) Amendment Regulations, 1992.
(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the International Airports Authority of India (Lost Property) Regulations, 1974.
 - (1) In regulation 2, after clause (c) the following clause shall be inserted, namely : -
cc) Government Assessor means any person holding the licence from Government of India as an Appraiser or Valuer.
 - (2) In sub-regulations (1) and (2) of regulation 7 for the words, “ the best price that can reasonably be obtained”, in both the places where they occur, the words, “a reasonable price determined in consultation with the Government Assessor” shall be substituted”.
 - (3) for sub-regulation (3) of regulation 7, the following sub-regulation shall be substituted, namely (3) Notwithstanding anything contained in sub regulations (1) and (2), any lost property which is or which becomes objectionable may forthwith be destroyed or otherwise disposed of in the following manner: -
 - (I) Arms, ammunition and explosives shall be deposited with Police authorities.
 - (II) Foreign liquor, narcotics, drugs, foreign currency and all items of foreign origin shall be deposited with Customs Department against proper receipts.
 - (4) In sub-regulation (4) of regulation 7 for the words “reasonable, expenses incurred by the Authority. In connection with the sale”. The words “reasonable expenses which shall nor exceed 10% of the sale proceeds of the item found and auctioned by International Airports Authority of India” shall be substituted.

V. K. MATHUR, Chairman

THE GAZETTE OF INDIA

EXTRAORDINARY

PART II – SECTION 3 – SUB-SECTION (II)

PUBLISHED BY AUTHORITY

NO.26 NEW DELHI, FRIDAY, JANUARY 10, 2003/PAUSA 26, 1924

AIRPORTS AUTHORITY OF INDIA

NOTIFICATION

New Delhi, the 9th January, 2003

S.O.28(E) – In exercise of the powers conferred by sub-section (1) read with clauses (f) and (g) of sub-section (2) and sub-section (4) of section 42 and section 34 of the Airports Authority of India Act, 1994 (55 of 1994), the Airports Authority of India, with the prior approval of the Central Government hereby makes the following regulations, namely :-

1. **Short title, commencement and application.** – (1) These regulations may be called the Airports Authority of India {Lost Property} Regulations, 2003.

1. These regulations shall come into force on the date of their publication in the Official Gazette.
2. These regulations shall apply to all the Airports and Civil Enclaves to which the Airports Authority of India Act, 1994 applies.

2. **Definitions : – In these regulations, unless the context otherwise requires :-**

- a) 'Act' means the Airports Authority of India Act, 1994 (55 of 1994) ;
- b) 'Airport' means an aerodrome as defined in sub-section (b) of Section 2 of the Act;
- c) 'Civil Enclave' means an airport as defined in sub-section (i) of Section 2 of the Act;
- d) 'Airport Director' means the Director of the concerned Airport to which these regulations apply;
- e) ' Incharge of the Airport or Civil Enclave' means the incharge of the concerned Airport or Civil Enclave to which these regulations apply;
- f) 'Customs Act' means the Customs Act, 1962 (52 of 1962);
- g) 'Government Assessor' means any person holding the licence from Government of India as an Appraiser or Valuer;
- h) 'Lost Property ' means any property which, while not in proper custody, is found on any premises, belonging to the Authority or under its overall control or in any aircraft on any such premises;
- i) 'Lost Property Office' means any place specified by the Director or Incharge of the Airport or Civil Enclave for the safe keeping of the lost property and any reference to the delivery of the lost property to the lost Property Office means delivery to an officer at such an office;
- j) 'Officer' means an officer of the Authority other than the Airport Director or Incharge of the Airport or Civil Enclave.

3. **Lost property to be handed over to an officer:**– (1) Subject to the provisions of the Customs Act and of the rules and regulations made there under, any person (other than an officer) who finds any lost property shall hand it over immediately to an officer in the same condition in which he finds it and inform the officer of the circumstances in which it was found.

(2) The officer referred to in clause (1) above shall be responsible to maintain a register containing the description of the lost property, the name, address and the signature of the person(s) and the officer handing it over and taking it over.

4. **Delivery of lost property to the Lost Property Office:**– (1) Subject to the provisions of the Customs Act and of the rules and regulations made thereunder, any officer to whom lost property is handed over under regulation 3, or who himself finds any lost property, shall, as soon as possible, but in any case not later than twenty-four hours, deliver such property for safe custody in the state in which it comes into his possession to the Lost Property Office and inform the officer at the Lost Property Office of the circumstances in which it was found;

Provided that before any lost property is delivered for safe custody to the Lost Property Office, if it is claimed by a person who satisfies the officer that he is the owner, it shall be returned to that person forthwith on his giving his name and address to the officer, who shall, as soon as possible thereafter report the facts and give the claimant's name, address and description of the lost property to the Lost Property Office.

(2) The officer of Lost Property Office as referred to in clause (1) of regulation 4 shall be responsible to maintain a register containing the description of the lost property, name, address and signature of the officer and the person(s) handing it over and taking it over the property.

5. **Recording and safe custody of Lost property:** – Any lost property delivered to the Lost Property Office shall be retained in safe custody by the Incharge of the Airport or Civil Enclave until claimed by the owner thereof or disposed of in accordance with regulation 7, and the Incharge of the Airport or Civil Enclave shall keep, for a period of not less than three months after the disposal of the property, a record showing the particulars of the lost property (whether delivered to the Lost Property Office or returned to the owner under proviso of regulation (4), the circumstances in which it was found and its ultimate disposal;

Provided that where the name and address of the owner of the lost property, other than the documents referred to in regulation 7(3)(iii) are readily ascertainable, the Incharge of the Airport or Civil Enclave shall forthwith notify him that the lost property is in his possession and may be claimed in accordance with these regulations.

6. **Restoration of Lost Property:**– If any lost property, while it is retained in the Lost Property Office in safe custody, be claimed and the claimant proves to the satisfaction of the Incharge of the Airport or Civil Enclave that it belongs to him and he gives his name and address to an officer of the Lost Property Office, it shall be restored to the claimant at the Lost Property Office.

7. **Disposal of Lost Property:**–

(1) If any lost property retained by the Incharge of the Airport or Civil Enclave for safe custody under regulation 5 is not claimed within three months from the date on which it was delivered to the Lost Property Office, the Incharge of the Airport or Civil Enclave shall dispose of it for a best reasonable price to be determined in consultation with the Government Assessor or Government approved Assessor and in the event of his

- ...sure to secure a reasonable price, he shall forthwith report the fact to his superior authority who shall pass such orders as the circumstances/ case may require.
- (2) Notwithstanding anything contained in sub-regulation (1) above, if any lost property retained by the Incharge of the Airport or Civil Enclave under regulation 5 is of a perishable nature, and, if within forty eight hours from the time when it was found and it was not restored under regulation 6, the Incharge of the Airport of Civil Enclave shall dispose of it immediately for a best reasonable price or as deemed fit and maintain record.
 - (3) Notwithstanding anything contained in sub-regulations (1) and (2), any lost property which is or which becomes objectionable may be destroyed or otherwise disposed of in the following manner :-
 - i. Arms, ammunition and explosives shall be deposited with Police authorities;
 - ii. Narcotics, drugs, foreign currency, Indian currency exceeding Rs.5,000/- {Rupees Five Thousand Only } and all items of foreign origin shall be deposited with the Customs authorities against proper receipt.
 - iii. Official documents including licences, passports and aliens identity books shall, wherever practicable, be returned to the appropriate Government Department, Local Authority or other body or person responsible for issuing them or for controlling or dealing with them.
 - (4) A person whose property has been disposed of under these regulations, shall upon proper verification, be entitled to receive the proceeds of the sale, if any, after deduction of reasonable expenses, which shall not exceed 25 per cent of the sale proceeds of the item found and auctioned by the Airports Authority of India.
8. **Examination of Lost Property:**— Where any lost property is contained in a package, bag or other receptacle, the Incharge of the Airport or Civil Enclave may cause such package, bag or other receptacle to be opened and the contents examined or require the claimant to open it and submit it and its contents for examination, for the purpose either –
 - a) of identifying and tracing the owner of the lost property, or
 - b) of ascertaining the nature of the contents.
9. **Repeal and Saving:**— (1) On and from the appointed date, International Airports Authority of India {Lost Property} Regulations 1974, the International Airports Authority of India {Lost Property} Amendment Regulations, 1992 and the National Airports Authority (Lost Property) Regulations 1988 shall stand repealed;
- (2) Notwithstanding such repeal, anything done or any action taken or purported to have been done or taken under the aforesaid Regulations, so repealed shall, in so far as it is not inconsistent with the provisions of these Regulations, be deemed to have been done or taken under the corresponding provisions of these Regulations.

S K NARULA, Chairman

CHAPTER XIV

FUTURE SCENARIO

A software for Inventory and Maintenance Management is under development for computerization of the Inventory and Maintenance Management. The inventory package will facilitate raising of indents, consolidation, inviting tenders, preparation of comparative statement, placing of order, receiving and issue of materials etc. The maintenance package shall facilitate preparation of job cards, work orders, history, billing, dispatch, condemnation, etc. This package shall be available to all maintenance divisions of AAI. The airports are likely to be connected through suitable net works with RHQ and CHQ.

AAI shall also adopt E-Tendering procedure as and when it is well equipped in it.

AIRPORTS AUTHORITY OF INDIA
DAILY RECEIPTS REGISTER

Date: _____

Sl No	GRN No. & Date	Nomenclature	Supplier	Challan No. & Date	Qty. as per Challan	Qty. actually received	Remarks	Received by (Stores Assistant)

AIRPORTS AUTHORITY OF INDIA GOODS RECEIPT AND ACCEPTANCE NOTE

Supplier's Name _____ Supplier's _____ RR No./
 & Address _____ Invoice No. _____ Date _____ PP No./
 _____ Air Con-
 _____ signment
 No. & Date _____
 Challan No. _____ Date _____ Case No. _____
 Gross Weight _____
 Size _____

Purchase Order No. _____ Date _____ Type of Stores _____

Sl. No	Description	Unit of Measurement	Quantity						Rate & Amount	Reasons for Rejection
			Ordered	Received	Short	Excess	Rejected	Accepted		

Entered in Bin Card by _____

Entered in Stock Register at Page No. _____

Entered in Stock Register by _____

Signature of Receiver _____

Sr.Mgr.(MM) / Manager (MM)

Inspecting Officer

AIRPORTS AUTHORITY OF INDIA

STOCK TRANSFER VOUCHER

By _____ Transfer to _____ Voucher No. _____

_____ Date _____

Sl. No.	Description of Material	Unit of Measurement	Quantity	Amount (Rs.)

Entered in Bin Card by _____

Entered in Stock Register _____

Approved by _____

Signature and Seal of Receiving Officer

(Refer [Chapter V](#), Para 5.3, Page 19)

AIRPORTS AUTHORITY OF INDIA

BIN CARD

BIN No. _____ Maximum _____
 Description _____ Minimum _____
 Unit _____ Order Level _____

Date	RV No. / IV No.	Received from	Receipt	Issue	Balance	Initials	Date	RV No. & IV No.	Received from	Receipt	Issue	Balance	Initials

AIRPORTS AUTHORITY OF INDIA

DEMAND AND ISSUE VOUCHER

Issue Voucher No. & Date _____

Date of Issue _____

FROM _____

Please supply the following materials for the use in this department: -

Sl. No.	Item Description	Unit	Qty. Required	Qty. Issued	Posted at Folio No.	Initial Posting Clerk	Remarks

Indented by _____

Indent Approved by _____

Issue Approved by _____

Issued by _____

Received by _____

AIRPORTS AUTHORITY OF INDIA

MATERIAL ISSUE SLIP TO CONTRACTORS AGAINST JOB WORK

Contractor's Name & Address:

Sl. No. _____
Date _____

Sl. No.	Item Description	Quantity	Nature of Repairs	Remarks

ISSUED BY

ISSUE APPROVED BY

SIGNATURE OF CONTRACTOR
IN TOKEN OF RECEIPT

DISTRIBUTION

1. Contractor
2. Accounts Department
3. Job Card File
4. Office Copy

AIRPORTS AUTHORITY OF INDIA

INVENTORY ISSUE / RETURN VOUCHER

From / To _____

Serial No. _____
 Date _____

Sl. No.	Name of the Item	Quantity Received	Quantity Issued	Balance	Inventory Number	Remarks

Posted in:

Stock Ledger		Master Inventory		Departmental Inventory	
Initial	Date	Initial	Date	Initial	Date

Signature of
Sr. Manager (MM) / Manager (MM)

Signature of
Issuing Stores Assistant

Name and Signature
of Inventory Holder

AIRPORTS AUTHORITY OF INDIA

INVENTORY CONTROL REGISTER

Date	Name of the Item	Location	Received from / Issued to	Voucher No.	Quantity Received / Issued	Balance in Stock	Cost	Remarks

AIRPORTS AUTHORITY OF INDIA

PACKING SLIP

Name & Address of Consignee :

Our Reference:

Date:

Your Reference:

Date:

SL.No.	Nomenclature	Quantity	Value of Material

Packed by :

Checked by:

Authorized by:

(Signature with Seal)
SR.MANAGER (MM) / MANAGER (MM)

AIRPORTS AUTHORITY OF INDIA

STOCK VERIFICATION SHEET

Sl. No	Date	Particulars of Stores	Ledger Folio	Unit	Stock Balance as per record	Physical Stock	Excess Balance	Shortage	Damag e	Value for Discrep ancies
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

Name & Signature of
Stores Assistant

Signature of Verifying
Officer

Signature of Sr.Manager (MM) / Manager (MM)

AIRPORTS AUTHORITY OF INDIA

STOCK EXCESS NOTE

Serial No. _____

Date _____

Sl. No.	Nomenclature	Unit of Measurement	Quantity	Rate	Value	Stock Verification Reference	Remarks

Name & Signature of Stores Assistant

Signature of Sr.Manager (MM) / Manager (MM)

AIRPORTS AUTHORITY OF INDIA

WRITE OFF / WRITE DOWN VOUCHER

Description of Stores	Stock Sheet Reference	Unit of Measurement	Quantity				Reasons for Write off / Write down
			Shortages	Damages	Rate	Amount	

Prepared by: _____

Signature of Sr.Manager (MM) / Manager (MM): _____

Signature of inspecting Officer: _____

Recommended for write off: _____

Approved by: _____

Posted by with date: _____

AIRPORTS AUTHORITY OF INDIA
GENERAL CONDITIONS OF SALE – BY TENDER

1. Tender Documents are not transferable.
2. Tenderer should submit the same tender documents purchased from AAI in his name for which a serial number is given. Otherwise the tender will be summarily rejected.
3. The name of the work should be superscribed on the envelope as “TENDER FOR _____ TO BE OPENED ON _____”. Otherwise the envelope will not be opened and will be treated as rejected.
4. Rates should be quoted on “AS IS WHERE IS “ basis.
5. Any ambiguity in the rates quoted will entail rejection of the tender.
6. Tenderers are advised to quote their net rates strictly on “AS IS WHERE IS” basis.
7. The tenderer must sign the FORM OF TENDER otherwise the tender is invalid and will be rejected.
8. Rates should be submitted in the form given at Annexure. For each item, there should be separate form which can be photocopied or typed in case of any additional requirement. Sales Tax (only if applicable) or any other duty (if leviable) will be payable by the purchaser extra.
9. Sealed tenders will be received in the office of _____ (officer concerned) up to 1430 hrs. on _____ and will be opened on the same day at _____ Hrs. in the presence of the tenderers or their authorized representatives present at that time. Any tender received after the stipulated date and time will not be entertained.
10. Earnest Money should be deposited in the form of Demand Draft drawn on any of the nationalized banks for the amount as prescribed in the NIT in favour of AAI should invariably accompany the tender or else the tender will be rejected.
11. Any tenderer giving tenders in different names, if any when detected, will be disqualified and his tender will be rejected.
12. The successful tenderer on receipt of AWARD LETTER should immediately intimate the AAI about his acceptance of the offer.
13. In case the successful tenderer does not accept the Award Letter and take action accordingly within the stipulated time, his EMD will be forfeited without any notice. The party will also be debarred for future participation in the tenders for a period of three years.
14. The Sale Letter will be given to the successful tenderer only after he submits the demand draft for the balance amount after adjustment of EMD and completion of other relevant formalities.
15. Tenderer is responsible to complete all the formalities in connection with taking the ITEMS out of _____ Airport after taking delivery on as is where is basis.
16. The successful tenderer should make his own arrangements for taking delivery of the item. He should take delivery of the item within 10 days from the date of issue of sale

garage charges at the rate of Rs.100/- per day will be levied for next 10 days after item can be offered to next highest bidder.

17. The successful tenderer should obtain a "Clearance Certificate" from AAI which should be produced to the security agency in order to take delivery of the sold material.
18. Delivery of the sold item will be effected only during working hours on working days. No delivery will be effected on Sundays and Gazetted Holidays.
19. In cases involving sale of vehicles, the purchaser has to execute a bond as per proforma enclosed at [Appendix-34](#) on a non-judicial stamp paper of Rs.10/-.
20. The above conditions are binding on the tenderers and AAI does not entertain any deviation in terms and conditions from the tenderers.
21. AAI reserves the right to cancel any or all the tenders without assigning any reason.
22. In the event of any dispute or difference of opinion between AAI and the Purchaser as to the respective rights and obligations of the parties hereunder or as to the true intent and meaning of these presents or any articles or conditions thereof, such dispute or difference of opinion (except the matter regarding which the decision has been especially provided for in the terms and conditions) shall be referred to the sole arbitrator who will be an officer of Airports Authority of India and whose decision shall be final, conclusive and binding on both the parties. For the purpose of this contract, the Regional Executive Director / Airport Director (International Airports) / Executive Director at the Headquarters shall have the authority to appoint the Arbitrator as per relevant provision of Arbitration Act.

Airports Authority of India

GENERAL CONDITIONS OF SALE – BY PUBLIC AUCTION

1. Subject to realisation of Reserve Prices where the same have been fixed by the Chairman, AAI all sales shall be made to the highest bidder. A person bidding on behalf of another person should produce a written authority from such other person authorising him to act on behalf of such other person in all matters at the auction sale. In the absence of such authority, the bid, if accepted, shall be registered in the name of the actual bidder and he shall be responsible to the AAI, for any loss etc. which might accrue as a result of his action without proper authority. In the event of any dispute between bidders, the dispute shall be decided by the Officer Supervising the Sale and the lot or lots in question re-auctioned at his discretion. His decision as to such acceptance shall be final and binding on all persons offering bids at the auction.

The Auction conducting officer may in consultation with the Sales Supervising Officer refuse to accept the bidding of any person or persons without assigning any reason.

2. PAYMENT FOR ACCEPTED BIDS :

(a) Cash payment of not less than 25% (Twenty five percent) of the amount of bid shall be made as earnest money on the fall of the hammer. The Auction conducting officer may, however, without assigning any reasons, demand as earnest money, a higher percentage upto the full amount of the bid immediately after a lot is knocked down. In doing so he shall in all cases act in accordance with any directions given by the Officer Supervising the Sale.

(b) If on the fall of hammer the bidder fails to pay the earnest money required the bid shall forthwith be cancelled and the lot re-auctioned. The AAI reserves the right to take such action against the bidder as may be authorised by law.

(c) Balance of the value of the bids accepted on the spot will be paid by the buyer in favour of AAI by DD/PO within six working days of the sale.

(d) In the event of failure to complete the payment of balance sale value of any lot purchased by a bidder, within the stipulated period, the sale of such lot shall be cancelled, the earnest money if paid shall be forfeited and the lot shall be resold without any notice to the bidder as and when AAI thinks best and any loss incurred on such resale shall be recovered from the bidder. Provided also the AAI shall in addition be entitled to recover from the bidder costs of storage warehousing or removal of the lot and any expenses incurred in or in connection with its resale or attempted resale. Any gain on any resale as aforesaid shall belong to AAI.

(e) In all cases any tax due under any State/Local Law shall be payable by the purchaser exclusive of the sale value. The Purchaser shall produce receipt in token of payment of such tax along with Receipt for the balance of price, before he shall be entitled to remove the goods.

(f) For all payments received the AAI will issue a stamped receipt to the purchaser and the bidder shall in all cases be bound to produce such receipt when called for.

2. CONDITION OF GOODS

(a) The goods are sold as and where they lie. The whole of the lot or lots shall be taken from the site of accumulation with all faults and errors in description or otherwise. Quantities, qualities,

nts, number and weights as stated in the catalogue are approximate and no guarantee shall be implied. Stores are sold on the assumption that bidders have inspected the lots and know what they are buying whether they have first inspected them or not and the principle of 'caveat emptor' will apply. No complaint will be entertained and no reliance must be placed on any description.

(b) In special cases when the sale supervising officer proposes to auction any particular item or items of stores by weight or number and not on lot basis, announcement to that effect shall be made before the store is put to auction. The bids in such cases shall be for each number or unit or weight. The price to be charged shall be calculated on the actual weight or numbers delivered. This however, does not apply to sale in lots as stated in subpara (a) above.

4. **RISK**

The goods shall be and remain in every respect at the risk of the Buyer from the date of acceptance of his offer by the AAI and the AAI shall not be under liability for the safe custody or preservation thereof from that date till the date of final removal.

5. **DELIVERY**

(a) The Auction Conducting Officer will issue Sale Release Orders signed by the Disposal Branch of the AAI to buyers on receipt by him of Receipt representing the balance money due.

(b) The goods will be removed by the buyer from the site of accumulation within the period specified at the time of auction. Deliveries will be made only during working hours on all working days on presentation by the purchaser to the stock holder the copy of Sale Release Order issued by AAI, after the Stockholder has compared the said copy of Sale Release Order with the copy of Sale Release Order to be received by him direct from the representative of AAI. The purchaser will make his own arrangements for transport and he will not be entitled to claim any facilities or assistance for transport from the Stock Holder.

(c) Should the original buyer wish to take delivery of the stores purchased through a representative, he must authorize the latter by a letter of authority, which shall be presented to the officer in whose charge the stores are held. Such officer may in his entire discretion decline to act on any such authority and it shall, in all cases be for the buyer to satisfy such officer that the authority is genuine. Delivery by proxy will be at the purchaser's sole responsibility and risk and no claim shall lie against AAI on any account whatsoever if delivery is effected to wrong person.

6. **NON DELIVERY**

Where goods are sold in lots, and not by numbers or units in the event of the lot or lots being found to be deficient in quantity, quality, size, measurement, number and weight, as stated in the catalogue, the purchaser shall have no claim against the AAI or against the auctioneer for refund of the whole or any part of the purchase money, or for loss of profit, interest, damages or otherwise. Where stores are sold by weight or number, and not on the basis of lots, and the purchaser fails to obtain delivery of the whole or a portion of the stores sold, he shall not be entitled to make any claim other than for proportionate refund of the value of the undelivered quantity. He shall not be entitled to claim any damages, loss or profit, interest or compensation on any other account.

7. Re-sale by the successful bidder will not be recognised and sale release orders will be made out in the name of the actual purchasers only.

8. **FAILURE TO TAKE DELIVERY**

The lots paid for must be completely removed at the buyer's expense within the period specified. If any lot is not removed within the time specified, the Chairman, AAI or his

representative may re-auction the said lot or lots or portion thereof at purchaser's option, and while so doing, he may recover in addition to any loss that may be suffered, a charge on account of storage space at the rate of 1% per day on the original sale price of the said lot, or lots, or portion thereof till the date of resale (inclusive). Without prejudice to the right to re-sell, the Chairman, AAI or his authorised representative may, in his discretion, permit the purchaser to remove the said lot or lots or portion thereof within an extended period(s) and a payment in advance of a charge on account of storage space at 1% per day on the sale price of each lot or lots or portion thereof remaining uncleared until the date of final removal (inclusive).

9. The buyer shall be responsible for any damage that may be done to the premises in taking down or removing the lot or lots bought by him. The Chairman AAI or his representative may at his option arrange to make good such damage and the buyer shall pay the same on demand.

10. In the event of the Auction Conducting Officer being of opinion that bidders are forming a ring and fair prices are not being realised for stores offered in auction, the auctioneer may stop the sale with the consent of the officer supervising the sale.

11. The Chairman, AAI reserves the right to require that the highest bid received for a particular item or items be referred to the Chairman or his duly authorised agent for final sanction, where and whenever this is considered necessary.

12. The Chairman, AAI reserves the right of withdrawing from the sale any lot or lots advertised in the catalogue prior to the acceptance of any bid for such lot/lots at an auction without assigning any reasons.

13. All questions arising out of any contract resulting from the offer and acceptance of any bid and not expressly provided for in the preceding clauses or as to any special conditions announced at an auction and before such auction, shall be referred to the sole arbitration of any person nominated by the Authority as per Delegation of Powers. The award of such Arbitrator shall be final and binding on the parties. It is a term of this agreement that in the event of such Arbitrator to whom the matter is originally referred vacating his office by resignation or otherwise or being unable to act for any reason Chairman AAI shall appoint another person to act as Arbitrator in accordance with the terms of this agreement. Such person shall be entitled to proceed with the reference from the stage at which it was left by his predecessor. It is also a term, of this agreement that no person other than a person nominated by the Chairman or administrative head as aforesaid should act as Arbitrator and if, for any reason that is not possible the matter is not to be referred to arbitration at all.

14. Subject as aforesaid the Indian Arbitration Act. 1996 or any statutory modification or re-enactment thereof and of the rules made there under for the time being in force shall apply to such arbitration and this deed shall be deemed to be a submission to such arbitration.

AIRPORTS AUTHORITY OF INDIA

SURVEY REPORT OF VEHICLES

(Unserviceable / Obsolete Stores)

Survey Report No. _____

Date _____

SNO.	DESCRIPTION OF ITEM (IN CASE OF VEHICLE/EQUIPMENT, ALSO GIVE CHASSIS / ENGINE NOS. ETC.	DATE OF PURCHASE	QTY.	ORIGINAL PURCHASE PRICE	BOOK / DEPRECIATED / WRITTEN DOWN VALUE	RESERVE PRICE RECOMMEND ED	REASON FOR DISPOSAL	REMARKS (IN CASE RESERVE VALUE RECOMMENDED IS BELOW THE BOOK VALUE / DEPRECIATED VALUE, PLEASE GIVE DETAILS)

1. Signature of Survey Committee Members
2. Remarks of Recommending Authority
3. Remarks of Approving Authority

AIRPORTS AUTHORITY OF INDIA

Annexure – A

CONDEMNATION INSPECTION REPORT

1. Date of Inspection :

2. Particulars of Vehicle :

- | | |
|--|---|
| (a) Regn. No. _____ | (e) Total Kms./hrs. run _____ |
| (b) Make and Model _____ | (f) Kms./hrs. run after the overhaul _____ |
| (c) Date of induction into service _____ | (g) Purchase cost of the vehicle _____ |
| (d) RAC Horse Power _____ | (h) Total expenditure incurred on
Repairs & Maintenance so far _____ |

3. Present Mechanical Condition : Engine No.: _____ Chassis No.: _____

(a) Engine Compression in cylinders

Poor/Satisfactory/Good 1 2 3 4 5 6 7 8 9 10 11 12

(b) Engine Pick up Poor/Satisfactory/Good

(c) Top / Overhaul Required / Not Required

(d) Major Overhaul Required / Not Required

(e) Estimated Cost of Overhauling

4. Transmission System:

- | | |
|-----------------------------|---|
| (a) CLUTCH | Slip/Spin/Pulsation/noisy/needs Overhaul/satisfactory/good |
| (b) GEAR BOX | Huming/noisy/Gear slip out/need overhaul/satisfactory/good |
| (c) POWER TAKEOFF | Huming/noisy/slip/need overhaul/satisfactory |
| (d) PROP SHAFT | Vibration/metallic rattles/squeek/need repair/ replacement/ satisfactory/good |
| (e) DIFFERENTIAL | Huming/regular knock/knocking while turning/need O.H./ satisfactory /good |
| (f) STEERING | Stiff and hard / Excessive Free Movement / Noisy/Need Oil/Satisfactory/ Good |
| (g) SUSPENSION | Noisy/Tossing/Need OH/Satisfactory/Good |
| (h) BRAKE SYSTEM | Spongy/Sluggish/Pulling Sidewise/Need OH/Satisfactory/Good |
| (i) COOLING SYSTEM | |
| Radiator | Rusty/Not Cooling/Damaged/Perished/Choked/Need OH/Satisfactory/Good |
| Water Pump | Noisy/Leakage/Satisfactory/Good |
| Hose Connections | Perished/Cracked/Leaking |
| (j) CHASSIS | Bent/Cracked./Damaged |
| (k) BODY | Rattling/Rusted/Body & Floor needs Renovation/Satisfactory/Good |
| (l) UPHOLSTERY | Need Repairs/Need renovation/Satisfactory |
| (m) ELECTRICAL SYSTEM | |
| (n) Starter Motor | Needs OH/Unserviceable/Satisfactory |
| (o) Dynamo / Alternator | Needs OH/Unserviceable/Satisfactory |
| (p) Battery Charger | Needs OH/Unserviceable/Satisfactory |
| (q) Electrical / connection | Needs Replacement/Needs Repair/Satisfactory |
| (r) Control Panels | Needs Replacement/Satisfactory |

5. Whether the required norms are fulfilled or not

Yes/No

Condition of nment items

Tyre _____ Battery _____

7. Remarks

8. Recommended / not recommended for condemnation

Name and Signature of Inspector(s)

(1)

(2)

(3)

FEW EXAMPLES OF THROW AWAY TYPE

- i. Plugs
- ii. Distributric Caps
- iii. Plastic Switches
- iv. Rubber Parts- Break Cylinder, Master Cylinder Cap, Wiper Blades
- v. Canopies & Canvas
- vi. Parts
- vii. Seal Covers
- viii. Light Bulbs
- ix. Tubes
- x. Plastic Items
- xi. Wooden Chairs & Tables
- xii. Calculator
- xiii. Electronic Spares
- xiv. Hoses
- xv. Lamps, Plugs, Plane Switches
- xvi. Tubes
- xvii. Starters
- xviii. A. C. Sheets
- xix. Broken Bricks
- xx. Set Cement
- xxi. Dismantled Wood and Sanitary Fittings
- xxii. False Ceiling Tiles
- xxiii. All other fully consumable stores and non-recyclable items.

AIRPORTS AUTHORITY OF INDIA

LOST & FOUND PROPERTY

(RECORD REGISTER-MAINTAINED AT AIRPORT MANAGER’S OFFICE)

SNo	Date	L.P. No.	Description of the Item	Qty.	Found by – (Name, Address & Signature) Date of founding	Found at	Checked & Received by (name & sign)	Remarks/ Disposal, if any

LOST & FOUND PROPERTY

(RECORD REGISTER-MAINTAINED AT MM OFFICE)

SNo	Date	L.P. No.	Description of the Item	Qty.	Found by – (Name, Address) Date of founding	Found at	Checked & Received by	Deposited by (Name & sign)	Remarks/ Disposal, if any

FORM FOR REGISTRATION AS APPROVED CONTRACTOR / SUPPLIER
(APPLICABLE TO INTERNATIONAL AIRPORTS, REGIONAL WORKSHOPS, MAJOR DOMESTIC AIRPORT WORKSHOPS AND CENTRAL E&M WORKSHOP)

<u>SNO.</u>	<u>QUESTION</u>	<u>ANSWER</u>
1.	NAME (a) Name of the Firm : (b) Year of Establishment :	
2.	ADDRESS : (a) Head Office (b) Branches	Telephone: Fax:
3.	TELEGRAPHIC ADDRESS (a) Head Office (b) Branches	Tel: Telex:
4.	Is your firm registered under (a) The Indian Company Act. If so, please give name of CMD / MD (b) The Indian Partnership Act. If so, please give the name of Partners (c) If not registered under any Act, please furnish particulars of your constitution and proprietorship. (d) Is your firm registered under Indian Factories Act ? Give Registration No. (e) If registered as SSI or with NSIC, give photocopy of Registration Certificate	
5.	<u>Collaboration</u> Give details of any Collaboration with Overseas firms, either technical or financial.	
6.	Are you manufacturer ? (a) Type of product / stores manufactured by you. Please specify each item separately (b) Give full address of the factory or works owned by you. Please give documentary proof of your ownership. (c) Are you authorized to use ISI Marks? If so, for which items? Give photocopies of ISI Certification.	

g details of your factory / works:

- i. Plant & Machinery, machine tools erected and functioning. Give sketch plan.
 - ii. Production Capacity, Capacity utilized, plan for expansion.
 - iii. Particulars of quality control Inspection and laboratory facilities which you have. Have you adopted SQC and acceptance sampling method?
 - iv. Number of skilled personnel and technicians employed. Total number of employees.
 - v. Particulars of Materials Handling Equipment.
7. Are you manufacturer's Agent (Sole Selling / Distributor) ?
 - (a) Name and address of each manufacturer
 - (b) Stores manufactured by each
 - (c) Letters of authority appointing you as Sole Selling Agent / Sole Distributor
 - (d) Date of appointment as Sole Selling Agent / Sole Distributor
 - (e) Date of expiry of present term of appointment.
 - (f) Whether you maintain a staff of expert Engineers / Mechanics capable of rendering technical assistance.
 - (g) Whether you have facilities to offer after-sale-service.
 - (h) Whether you are in a position to supply the equipment & spare part/stores for which you are seeking registration.
 - (i) Give extent of stocks held and their value.
 - (j) Stores / Equipment for which registration is sought

Are you an Importer ?

 - (a) The class of goods imported by you.
8.
 - (b) The annual value of Imports.
 - (c) Present Stock Extent
 - (d) Value of Stock

- (a) The items of stores stocked
- (b) The quantity of value of stocks at present of which you are owner
- (c) Location of Godown
- (d) Who are the manufacturers of items stocked by you?

10. Insurance

Whether your commercial / business assets factory, godown etc. are insured ?

11. Sales Tax

- (a) Central Sales Tax Registration No. & Date
- (b) State Sales Tax Registration No. & Date
- (c) Attach Photocopies of Certificates

12. Bankers

- (a) Name and address of your Bankers
- (b) State the name in which the accounts stand
- (c) Which year the accounts were opened?

13. Registered as Supplier

- (a) With DGS & D
Attach copy of Registration Certificate
- (b) Attach Rate / Running Contract
- (c) Important customers for whom you have been registered as suppliers.
- (d) Give details of important contracts executed during last five years.

14. Documents Attached

- (a) Annual Report for last year
- (b) Profit & Loss Account and Balance Sheet for the last year.
- (c) Statement showing results of operation and financial position of your firm during the last three years.
 - (i) Sales
 - (ii) Gross Profit

- (v) Taxation
- (vi) Net after Tax
- (vii) Percentage of Net Profit on Sales
- (viii) Dividend declared
- (ix) Net Block
- (x) Capital employed
- (xi) Resource
- (xii) Percentage of Profit on capital employed.

15. Potentiality for Supply

- (a) State classes of Stores cost of list enclosed which you are in a position to supply
- (b) Value and quantity of stock of these items held by you normally.
- (c) In respect of which item your position is strong to arrange supply.

16. Security Deposit

- (a) Are you willing to furnish a standing security deposit of Rs.
- (b) In what form?

17. Validity of Registration:

- (a) Registration, if approved, will be valid for three years.
- (b) You will formally apply for renewal of registration three months before expiry of the validity period.

19. Certificate

We declare that the entries made in the application form are true to the best of our knowledge and belief.

Place :

Signature :

Date :

Designation :

NOTE: The contents may be modified to delete paras / sub paras which are not relevant for registration of stockists by REDs / Airport Directors / Field Units. Manufacturer will be registered by Headquarters only.

FORM FOR REGISTRATION AS APPROVED CONTRACTOR / SUPPLIER
(APPLICABLE IN CASE OF SMALL DOMESTIC AIRPORTS AND
FIELD STATIONS)

COMPANY / FIRM / AGENCY / MANUFACTURER / SUPPLIER
/ WHO DESIRE TO REGISTER THEMSELVES MAY FURNISH
INFORMATION AS PER FORMAT GIVEN BELOW :

1.	NAME OF COMPANY / FIRM / AGENCY / MANUFACTURER / SUPPLIER – WITH ADDRESS	
2.	TELEPHONE NO.	
	FAX NO.	
3.	DETAILS OF ACTIVITIES CARRIED OUT	
4.	DETAILS OF REGISTRATION WITH SSI/NSIC/ DGS& D / SHOP ESTABLISHMENT / GOVT. DEPARTMENT AGENCY	
5.	DETAILS OF INCOME TAX CLEARANCE	
6.	DETAILS OF SALES TAX REGISTRATION	
7.	ANY ADDITIONAL INFORMATION	

SIGNATURE

PURCHASE REQUISITION / INDENT

REQUISITION / INDENT NO. :

DATE :

PART 1 (To be filled in by Stores in-charge)

SNo.	PART/ CAT NO.	DESIGNATION	A/U	AVERAGE ANNUAL CONSUMP- TION	QTY. HELD (INCLUDING DUES IN)	QTY. NOW INITIATE D	LAST PURCHASE PRICE	DATE OF LAST SUPPLY	PRESENT ESTIMATED RATE	BUDGET HEAD	SPECIFIC INSTRUCTIONS (WITH REF. TO INFORMATION NOT COVERED IN PREVIOUS COLUMNS
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)

INDENT INITIATED BY
(An Officer from User Department)

INDENT APPROVED BY
(Not below the rank of HOD)

PART 2 (To be filled in by Purchaser)

SNo.	DATE INDENT RECD	DATE AA & ES RECD.	DATE TENDERS FLOATED	PO/SO NO. DATE	NAME OF SUPPLIER (CODE)	RV NO. & DATE	STORE RECEIVED	QTY. ACCEPTED	DATE PAYMENT MADE	EXTN. DETAILS, IF ANY	REMARKS
(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)

SIGNATURE OF PURCHASING OFFICER

SIGNATURE OF HEAD OF MM DEPARTMENT

PURCHASE HISTORY SHEET

1. Procurement Indent No. & Date
2. Purchase Requisition No. & Date
3. Date of Receipt in Procurement Branch
4. 1st Time 2nd time 3rd Time
Date Enquiries floated / refloated
5. Date CST prepared / Date Tenders opened.
6. Date Quotations approved
7. Date Queries made to the Supplier
on a specific matter
8. Date of Reply received for above Queries
9. Date PO/SO placed
10. Due date of Supply
11. Date of Extension of Delivery and upto
12. Date Stores received
13. Date of Inspection
14. Date & No. of CRV
15. Supplier's Bill / Invoice No. & Date
16. Name of Supplier (Code)
17. Qty. accepted
18. Value / Amount
19. Budget Head
20. Ref. of Reminders sent
21. Date action completed
22. Vendor Rating Code
23. Remarks

SIGNATURE

AIRPORTS AUTHORITY OF INDIA

ENQUIRY FORM

Enquiry Ref. _____

To

Dear Sirs,

Sealed quotations are invited for the following item(s) as per the terms and conditions stipulated overleaf.

You are requested to quote your lowest rate and submit the same in sealed envelope superscribing the enquiry reference and due date so as to reach this Office by _____ Hrs. on _____ which shall be opened at _____. The suppliers if desired can participate in opening of the quotations.

SNo.	Particulars	Unit	Qty. Required	Unit rate	Amount	Remarks

Yours faithfully,

Sr.Manager (MM) / Manager (MM)

Date:

Note:
 (Standard conditions to be printed on the back of the enquiry).

PRESS NOTIFICATION

AIRPORTS AUTHORITY OF INDIA

NOTICE INVITING TENDERS

Sealed Tenders in the prescribed form in two bid system consisting of Technical and Commercial Bids are hereby invited on behalf of the Chairman, Airports Authority of India for _____ from _____ at an estimated cost of Rs. _____

Tender forms (non-transferable) can be purchased from the Office of _____ w.e.f. _____ during working hours except on Saturdays, Sundays and Public Holidays on payment of Rs. _____ (non-refundable) only by cash/demand draft and Rs. _____ through speed post by Demand Draft drawn in favour of Airports Authority of India, payable at _____. No responsibility will be taken for postal delay or non-delivery / non-receipt of the tender documents.

Earnest Money Deposit of Rs. _____ has to be submitted along with the Technical Bid and any Bid without EMD will be summarily rejected.

Tender Papers will be sold to those parties who are able to furnish documents relevant to following pre-requisite qualifying conditions: -

- i. Confirmation of providing “after sales service” at _____ (Consignee Airports)
- ii. Proof of having sold / supplied / fabricated at least _____ in any one of the last three financial years.
- iii. Any other pre-qualifying conditions (depending upon case to case).

Last date for sale of Tender Forms -
Last date for receipt of Tenders -
Date of Opening of Tenders -
(Technical Bid only)

AAI reserves the right to accept or reject any or all the tenders without assigning any reason.

AIRPORTS AUTHORITY OF INDIA

NAME OF WORK: _____

INDEX TO DOCUMENTS

Page

1. NOTICE INVITING TENDERS NO. _____
2. TENDER AND CONTRACT FOR SUPPLY OF EQUIPMENT
3. ITEM RATE TENDER FOR SUPPLY OF EQUIPMENT
4. CONDITIONS OF CONTRACT
5. SPECIAL CONDITIONS
6. TECHNICAL SPECIFICATIONS - ANNEXURE - I
and DRAWINGS
7. SCHEDULE OF QUANTITY - ANNEXURE - II
8. CERTIFICATE ACCEPTING
TERMS & CONDITIONS OF NIT - ANNEXURE - III

Certified that this N.I.T contains _____ pages.

Contd...

AIRPORTS AUTHORITY OF INDIA

Name and Address of the Tendering Officer

NIT NO. :
TOTAL NIT PAGES :
NAME OF THE WORK :
ESTIMATED COST :
LAST DATE FOR SALE OF TENDER :
DATE OF RECEIPT OF TENDER : TIME HRS.
DATE OF OPENING TENDER : TIME HRS.

NOTICE INVITING TENDERS

1. Tenders in the prescribed form are hereby invited on behalf of the Chairman, Airports Authority of India for _____.

2. Printed forms of tenders consisting of the detailed plans complete specifications, the schedule of quantities of the various classes of work to be done and the set of "Conditions of contract" to be complied with by the person whose tender may be accepted, can be purchased from the office of _____ (insert name and designation of tendering officer) on all working days, except on Saturdays & Sundays and Public Holidays, on payment of Rs. _____ by cash/demand draft and Rs. _____/- through speed post by a demand draft drawn in favour of Airports Authority of India, payable at _____.

3. Tender, which should always be placed in sealed covers with the name of the work written on top of the envelopes will be received by _____ (insert name, designation and address of tendering officer) in 2 envelopes system and opened as per the schedule mentioned above.

4. TWO ENVELOPE SYSTEM

4.1 Tender will be submitted in two separate sealed envelopes containing "Technical Bid Only" and other "Commercial Bid Only" as per Form EQ-9. The earnest money deposit should be submitted along with "Technical Bid". A master envelope containing both the Technical Bid and commercial Bid duly sealed and superscribing the name of work should be addressed to _____ (insert name, designation and address of tendering officer)

4.2 Following documents will be submitted along with Technical Bid.

- i. Proof of having the network of "after sales service" at _____ (insert the name of stations where an equipment under tender is to be serviced).
- ii. Proof of having sold at least _____ in any one of the last three financial years (in other words, experience required for tenderer to qualify for participation should be written in

- sure (where applicable)
- v. Earnest Money Deposit in the form of Demand Draft drawn from a scheduled/ nationalized bank for Rs. _____ /- in favour of The Airports Authority of India is must otherwise the commercial bid will not be accepted.
 - vi. Certificate accepting the terms and conditions of this NIT as per Annexure - III.

4.3 Commercial bid must be in the format as per Annexure-II but on the Company's letter head in a separate envelope, Only Technical Bid will be opened on the same day at _____ Hrs., and the commercial Bid will be opened on a date that will be notified later on. The offer of the firm who fails to submit their offers in separate sealed envelopes specifying clearly the commercial and technical bid will not be considered.

5. The contractor should quote in figure as well as in words the rate and amount tendered by them. The amount for each item should be worked out and the requisite totals given.

6. When a contractor signs a tender in an Indian language, the tendered amount should also be written in the same language. In case of illiterate contractor the rates or the amounts tendered should be attested by a witness.

7. Earnest money Deposit in the form of a Demand Draft on a scheduled/ nationalized Bank in favour of the Chairman, Airports Authority of India must accompany each tender. Any tender not accompanied by the requisite Earnest Money will be rejected.

8. Each tender is to be in a sealed cover superscribed TENDER FOR _____ AGAINST NIT NO. _____ and addressed to _____ (insert name, designation and address of tendering officer).

- 9. The contractor, whose tender is accepted, will be required to furnish by way of a security deposit for the due fulfillment of his contract, which will amount to a sum equal to @ 10% on first Rupees one Lakh, 7.5% on second Rupees one Lakh and 5% on balance amount of basic cost of ordered value (excluding taxes, duties, transportation charges, if any). The security deposit will be collected by making deductions from the running bill of the contractor or by furnishing a Bank Guarantee of a nationalized bank at the rates mentioned above.

10. The acceptance of tender will rest with the Chairman, Airports Authority of India who does not bind himself to accept the lowest tender and reserves to himself the authority to reject any or all of the tenders received without assigning any reason thereof. All tenders in which any of the prescribed conditions are not fulfilled or are incomplete in any respect are liable to be rejected.

11. Canvassing in connection with tender is strictly prohibited and the tenders submitted by the contractors who resort to canvassing are liable to be rejected.

12. All rates shall be quoted on the proper form of the tender only.

13. On acceptance of the tender, the name of the accredited representative(s) of the contractor who would be responsible for taking instructions from _____ (insert name and designation of the tendering officer) be communicated to _____ (insert name, designation and address of the tendering officer).

14. Special care should be taken to write the rates in figures as well as in words, in such a way that interpolation is not possible. The total amount should be written both in figures and in words. In case of figures, the word 'Rs.' should be written before the figures of Rupees and the word 'P' after the decimal figures, e.g. Rs.2.15P and in case of words the word 'Rupees'



the word 'Paise' should be written at the end. Unless the rate is in whole by the word 'only' it should invariably be up to two decimal places. While quoting the rate in schedule of quantities, the word "only" should be written closely following the amount. It should not be written in the next line.

15. The Chairman, Airports Authority of India does not bind himself to accept the lowest or any tender and reserves the right of accepting the whole or any part of the tender and tenderer shall be bound to perform the same at the rate quoted.

16. Sales Tax or any other tax on equipment in respect of this contract shall be payable by the contractor and the Authority will not entertain any claim whatsoever in this respect. Normal Sales Tax rates are applicable to AAI and Form C/D will not be given by AAI.

17. The contractor shall not be permitted to tender for works in Airports Authority of India, if his near relative is posted as an officer in any capacity in Airports Authority of India (Responsible for award and execution of contract). He shall also intimate the names of persons who are working with him in any capacity or are subsequently employed by him and who are near relatives to any officer in the Airports Authority of India. Any breach of this condition by the contractor would render him liable to be removed from the approved list of contractors of the Authority.

NOTE: By the term 'near relative'; is meant wife, husband parents and grandparents, children and grand children, brothers and sisters, uncles, aunts, and cousins and their corresponding in-laws.

18. The contractor shall furnish a certificate that none of his relatives are working in Airports Authority of India.

19. No Officer/Gazetted Officer employed in Airports Authority of India service or the Government of India is allowed to work as a contractor for a period of two years of his retirement without the previous permission of the Airports Authority of India / Government of India. The contract is liable to be cancelled if either the contractor or any of his employees is found at any time to be such a person who had not obtained the permission of the Airports Authority of India / Government of India as aforesaid, before submission of the tender or engagement in the contractor's service.

20. The tender for the work shall not be witnessed by a contractor or contractors who himself/themselves has/have tendered or who may and has/have tendered for the same work. Failure to observe this condition would render tenders of the contractors tendering as well as that of witnessing the tender liable to be summarily rejected.

21. The contractor shall submit list of works, which are in hand (Progress).

Signature of _____
(insert name and designation of the tendering officer).
for and on behalf of the Chairman, AAI

AIRPORTS AUTHORITY OF INDIA

DIVISION _____

State:

Branch : Equipment/Technical

TENDER AND CONTRACT FOR SUPPLY OF EQUIPMENT

General Rules and Direction for the Guidance of Contractors

1 All supplies proposed to be obtained by contract will be notified in a form of invitation to tender posted in public places / notified in press and signed by the _____ . This form will state the supplies to be made as well as the date for submitting and opening of tenders and the time allowed for carrying out the work also the amount of the earnest money to be deposited with the tender and the amount of security deposit to be deposited by the successful tenderer and the percentage to be deducted from bills. Copies of the specifications, and any other documents required in connection with work, signed for the purpose of identification by _____ (insert name and designation of the tendering officer) shall also be opened for inspection by the contractor at the office of the _____ (insert name and designation of the tendering officer) during office hours.

2 In the event of the tender being submitted by a firm, it must be signed separately by each partner thereof or, in the event of the absence of any partner, it must be signed on his behalf by a person holding a power of attorney authorizing him to do so, such power of attorney to be produced, with the tender and it must disclose that the firm is duly registered under the Indian Partnership Act.

3 Receipts for payments made to a firm must also be signed by all the partners, except where the contractors are described in their tender as a firm, in which case the receipt must be signed in the name of the firm by one of the partners, or by some other person having authority to give effectual receipts for the firm.

4 Any person who submits a tender shall fill up the usual printed form, stating at what rate he is willing to undertake each item of the work. Tenders which propose any alteration in the work specified in the said form of invitation to tender, or in the time allowed for carrying out the work, or which contain any other conditions of any sort, will be liable to rejection. No single tender shall include more than one work, but if the contractors who wish to tender for two or more works, they shall submit a separate tender for each. Tender shall have the name and number of the work to which they refer written outside the envelope.

Contd...

5. _____(insert name and designation of the tendering officer) or his duly authorized assistant will open in the presence of any intending contractors who may be present at the time and will enter the amounts of the several tenders in a comparative statement in a suitable form. In the event of a tender being accepted, a receipt for the earnest money forwarded therewith shall there upon be given to the contractor who shall thereupon for the purpose of identification sign copies of the specifications and other documents mentioned in Rule-I. In the event of a tender being rejected, the earnest money forwarded with such unaccepted tender shall thereupon be returned to the contractor.

6 The officer inviting tenders shall have the right of rejecting all or any of the tenders, and will not be bound to accept the lowest tender.

7 The receipt of an accountant or clerk for any money paid by the contractor will not be considered as any acknowledgement of payment to _____(insert name and designation of the tendering officer), and the contractor shall be responsible for seeing that he procures a receipt signed by _____(insert name and designation of the tendering officer), or a duly authorized cashier.

oo00000oo

Contd...

I/We hereby tender for the supply to Airports Authority of India of the equipment specified in the underwritten memorandum within the time specified in such memorandum at the rates specified therein, and in accordance in all respects with specifications, design, drawings and instructions in writing referred to in Rule-1, hereof and the conditions of contract, design, and with such equipment as are provided for, by and in all respects in accordance with such conditions so far as possible.

Memorandum :

- (a) General description :
- (b) Estimated Cost :
- (c) Earnest money :
- (d) Security Deposit :

The Security Deposit @ 10% on first one lakh, 7.5% on 2nd one lakh and 5% on balance amount of basic cost of ordered value (excluding taxes, duties, transportation charges, if any) in respect of each type of equipment will be withheld from the initial payment. The security deposit will be collected by deductions from the running bills of the contractor or by Bank Guarantee from a Scheduled/ nationalized bank at the rate mentioned above and the earnest money, deposited at the time of tender, will be treated as part of security deposit.

- (e) Time allowed for the work from the date of written order to commence as detailed below:
 - (i) Commencement of work ____ week of Purchase Order.
 - (ii) Time for entire supply ____ weeks of Purchase Order.

Should this tender be accepted, in whole or in part, I/We hereby agree (i) to abide by and fulfill all the terms and provisions of the said conditions annexed hereto and all the terms and provisions contained in notice inviting tenders so far as applicable and/or in default thereof forfeit to and pay to the Chairman, Airports Authority of India or his successors in office the sum of money mentioned in the said conditions.

A sum of Rs. _____ is hereby forwarded in the form of a Demand Draft in favour of Chairman, AAI on a nationalized bank / scheduled bank as earnest money. If I/We fail to commence the supply specified in the above Memorandum, I/We agree that the said Chairman, Airports Authority of India or his successors in office shall without prejudice to any other right or remedy, be at liberty to forfeit the said earnest money absolutely otherwise the said earnest money shall be retained by him towards security deposit mentioned against Clause (d) of the above mentioned Memorandum; (ii) to execute all the works referred to in the tender documents upon the terms and conditions contained or referred to therein and to carry out such deviations as may be ordered up to a maximum of _____% at the rates quoted in the tender document and those in excess of that limit at the rates to be determined in accordance with the provisions contained in Clause 9A of the tender form.

Dated the _____ day of _____

Signature of contractor before submission of tender

Signature of witness to contractor's signature.

Name _____

Address _____

Occupation _____

The above tender is hereby accepted by me on behalf of the Chairman, Airports Authority of India.

Dated the _____ day of _____

Signature of the officer by whom accepted.

Contd...

Definitions:

1. The 'Contract' means the documents forming the tender, and acceptance thereof and the formal agreement executed between the Chairman, Airports Authority of India and the contractor, together with the documents referred to therein including these conditions, the specifications, designs, drawings and instructions issued from time to time by _____(insert name and designation of the tendering officer) and all these documents taken together shall be deemed to form one contract and shall be complementary to one another.

2. In the contract, the following expressions shall, unless the context otherwise requires, have the meanings, hereby respectively assigned to them:

(a) The Chairman means the "Chairman", Airports Authority of India or his successors.

(b) _____(insert name and designation of the tendering officer) will be in charge of the work and shall sign the contract on behalf of the Chairman.

(c) The Authority or Airports Authority of India shall mean the "Chairman, Airports Authority of India "

(d) The term Regional Executive Director / Airport Director) / Executive Director / General Manager means "the head of _____Department, Airports Authority of India. Words importing the singular number include the plural number and *vice versa*.

Clauses:

1. The contractor is to supply and commission the equipment on or before the dates mentioned in the Order. If the contractor fails to complete the supply/commissioning as per the delivery schedule, the purchaser has the right to cancel the order or get the supplies/equipment from an alternative source at the risk and cost of the contractor. However in exceptional cases, the purchaser may agree to receive the equipment even beyond the delivery schedule subject to levy of Liquidated Damages/penalty calculated @ 0.5% of the basic value of undelivered portion of supply per week for delays up to two weeks and 1% of the basic value of undelivered portion of supply per week for delays beyond two weeks and less than four weeks.

Note : The percentage of Liquidated Damages/penalty and the time frame as indicated above may change on case to case basis. Any deviation however, from the above rule shall be specifically brought to the notice of competent authority approving the NIT and got approved by him / her. The maximum limit of extension of time can also be likewise changed on case to case basis with the approval of authority competent to approve the NIT.

2. If the contractor shall be hindered in the supply of the equipment so as to necessitate an extension of the time allowed in this tender, he shall apply in writing to _____(insert name and designation of the tendering officer), who shall grant it in writing if reasonable ground be shown for it and without such written authority of _____(insert name and designation of the tendering officer)., the contractor shall not claim exemption from the fine leviable under the clause.

3. The contractor shall give notice to _____(insert name and designation of the tendering officer) of his intention of making delivery of equipment, on the equipment being

ipt shall be granted to him by _____(insert name and designation of or his assistant and no equipment will be considered as delivered until so approved.

4. On the completion of delivery of equipment, the contractor shall be furnished with a certificate to that effect by _____ (insert name and designation of the tendering officer) but the delivery will not be considered complete until the contractor shall have removed all rejected items, and shall have the approved items stocked or placed in such position as may be pointed out to him.

4A. If at any time after the commencement of the supplies the Chairman shall for any reason whatever not require the whole or part thereof as specified in the tender to be supplied, _____(insert name and designation of the tendering officer) shall, in addition to his power to annul the contract in case of default on the part of the contractor, have power to terminate all liability of the Chairman thereunder at any time after giving due notice in writing to the contractor of his desire to do so. In the event of such a notice being given:

- (a) _____(insert name and designation of the tendering officer) shall be entitled to direct the contractor to complete the supply of the equipment which are ready for delivery upto the date of the expiry of the notice and thereafter to cease their supply of all the articles or supplies received and accepted upto that date shall be paid for at the tender rate; and
- (b) the contractor shall have no claim to any payment or compensation whatsoever on account of any profit or advantage which he might have derived in consequence of the full execution of the contract but which he did not obtain owing to its premature termination, or for any loss which he might have sustained on this account.

Nothing herein contained shall operate to create in favour of the bank any rights or equities vis-a-vis the Chairman.

5. The equipment shall be of the best description and in strict accordance with the specifications, and the contractor shall receive payment for such equipment only as are approved and passed by _____(insert name and designation of the tendering officer).

6. In the event of the equipment being considered by the _____(insert name and designation of the tendering officer) to be inferior to that described in the specifications, the contractor shall, on demand in writing, forthwith remove the same at his own charge and cost, and in the event of his neglect to do so within such period as may be named by _____(insert name and designation of the tendering officer) that officer may have such rejected equipment removed at the contractor's expense and the expense incurred being liable to be deducted from any sums due or which may become due, to the contractor.

7. No equipment shall be brought to site or delivered on Sundays and other holidays without the written permission of _____ (insert name and designation of the tendering officer).

8. This contract shall not be sublet without the written permission of _____ (insert name and designation of the tendering officer). In the event of the contractor subletting his contract without such permission he shall be considered to have thereby committed a breach of contract, and shall forfeit his security deposit and shall have no claim for any compensation for any loss that may accrue from the equipment he may have collected or engagements entered into.

9A. _____(insert name and designation of the tendering officer) shall have

alterations in, omissions from, additions to or substitutions for, the original drawings, designs, and instructions, that may appear to him to be necessary or advisable during the course of supply of the equipment and the contractor shall be bound to supply the equipment in accordance with any instructions which may be given to him in writing signed by _____(insert name and designation of the tendering officer), and such alteration, omissions, additions or substitutions shall not invalidate the contract, and any altered, additional, or substituted equipment which the contractor may be directed to supply in the manner above specified as part of the work shall be supplied by the contractor on the same conditions in all respect on which he agreed to do the main work and at the same rates as are specified in the tender for the main work.

9b. Airports Authority of India shall not be bound to contest any claim made against it under Section 12, subsection (1) of the Workmen's Act 1923, except on the written request of the contractor and upon his giving of Authority full security for all costs for which Authority might become liable in consequence of contesting such claim.

10. Whenever any claim against the contractor for the payment of a sum or money arises out of or under the contract, Authority shall be entitled to recover such sum by appropriating, in part or whole, the security deposit of contractor, and to sell any Government Promissory Notes etc., forming the whole or part of such security. In the event of the security being insufficient or if no security has been taken from the contractor, then the balance or the total sum recoverable, as the case may be, shall be deducted from any sum then due or which at any time thereafter may become due from the contractor under this or any other contract with Airports Authority of India. Should this sum be not sufficient to cover the full amount recoverable, the contractor shall pay to Airports Authority of India on demand the balance remaining due.

SPECIAL CONDITIONS

Name of work:

1. The following special conditions shall be read in conjunction with General Conditions of contract and amendments / corrections thereto. If there are any provisions in these Special Conditions which are at variance with the provisions in the mentioned documents, the provisions in these special conditions shall take precedence.

2. Inspection of Site:

For the purpose of inspection of site and relevant documents, the contractor is required to contact the concerned _____(insert name and designation of the tendering officer) who shall give reasonable facilities for inspection of the same. The contractor shall be deemed to have satisfied himself as to the nature of the site of work, local facilities of access availability of equipment and all other matters affecting his prices for the execution and completion of work. He is required to make himself fully acquainted with the nature and scope of works.

3. Sufficiency of Tender:

The contractor shall be deemed to have satisfied himself before tendering as to the correctness and sufficiency of his tender for the works and of the rates and prices quoted in the Schedule of Works/Items/Quantities or in Bills of Quantities which rates and prices shall, except as otherwise provided, cover all his obligations under the contract, and all matters and things necessary for the proper completion and maintenance of the works.

4. Contractor's Representatives, Agents and Workmen:

Contractors shall employ only Indian Nationals and verify their antecedents and loyalty before employing them on the work. He shall ensure that no person of doubtful antecedent and nationality is in any way, associated with the works.

5. Stores and materials:

All the stores and materials except materials stipulated for issue by the Authority, required for the satisfactory completion of the work shall be arranged by contractor from his own sources/open market. No claim whatsoever shall be entertained by the Authority on account of delay in either providing these materials or non-availability of these materials in the market.

6. Site for Plants, Equipment and Stocking of materials:

The contractor shall stock materials at the site of work strictly as per the instructions of _____ (insert name and designation of the tendering officer) keeping in view the operational requirements of the Director General of Civil Aviation and Airports Authority of India.

7. Co-ordination:

The contractor shall cooperate with Authority's other contractors, compare plans, specifications and time schedules and so arrange his work that there will be no interference. The contractor shall forward to _____ (insert name and designation of the tendering officer) all correspondence and drawings so exchanged. Failure to check plans and conditions will render the contractor responsible for bearing the cost of any subsequent change found necessary.

8. Standard for workmanship:

To determine the acceptable standard of workmanship, the contractor shall execute a portion of the items of work as a sample for approval of _____ (insert name and designation of the tendering officer) before taking up the actual execution of the particular item of work. These samples on approval of _____ (insert name and designation of the tendering officer) shall be guiding samples for execution of the particular item of work. Work not conforming to approved samples shall be rejected.

9. Programme of work and Progress Reports:

The contractor shall submit within fourteen days from the date of acceptance of the tender, detailed schedule showing the program and order in which the contractor proposes to carry out the work with dates and estimated complete on times for various parts of the work. Such schedules shall be got approved from _____ (insert name and designation of the tendering officer) before starting of the work and shall be bound on the contractor. If required by _____ (insert name and designation of the tendering officer), contractor shall furnish fortnightly or other periodical progress reports.

10. Guarantee and Defects Liability Period:

The contractor shall guarantee that the equipment shall be free from any defect due to the defective material and bad workmanship and that the equipment shall operate satisfactorily and that the performance and efficiencies of the equipment shall not be less than the guaranteed values. The guarantee shall be valid for a period of twelve months from the date of commissioning. Any parts found defective during guarantee period shall be replaced by the

any charges whatsoever. The services of contractor's personnel if this period, for such work shall be made available free of any cost to the Authority.

If the defects are not remedied within a reasonable time as mentioned in the written notice, the Authority shall proceed to do so at the contractor's risk and expense without prejudice to any other right.

11. Inspection or Testing:

(i) The Authority's authorized representative shall have full power to inspect drawings of any portion of the work, examine the materials and workmanship at the contractor's work or at any other place from which the material or equipment shall in no way relieve the contractor of his responsibility for meeting the requirements of the specifications, but shall have to be paid by the contractor in case the equipment or work is found defective or of inferior quality.

(ii) Routine type tests for the various items of equipment shall be performed at the contractor's works and test certificates furnished. The contractor shall permit the Authority's authorized representative to be present during any of, or all, the tests. After notification to the Authority that the installation has been completed, the contractor shall make under the direction and in the presence of _____ (insert name and designation of the tendering officer) such tests and inspection as have been specified or as _____ (insert name and designation of the tendering officer) shall consider necessary to determine whether or not the full intent of requirements of the plans and specifications have been fulfilled. In the event of the Inspection and or tests proving unsatisfactory and resulting in non-acceptance of the work or any portion whereof, the cost of re-inspection and/or tests (including the traveling and halting expenses incurred if any or such portion thereof as may be determined by the competent authority) shall be borne by the contractor.

(iii) All tools, instrument, plants and labour/operating personnel for the test shall be provided by the contractor at his own cost.

12. Rejection of Defective Plant:

If the complete work/equipment or any portion thereof before it is taken over be found defective or fails to fulfill the intent of the specifications, the contractor shall, on receipt of a written notice from _____ (insert name and designation of the tendering officer) forthwith make good the defective works/equipment.

Should the contractor fail to rectify the defects and or make good the defective work/equipment within a stipulated time, mentioned in the written notice, or replace the plant at no extra cost to the Authority may make good, reject and/or replace at the risk and expense of the contractor the whole or any portion of the work/equipment which is defective or fails to fulfill the requirements of the contract.

The Authority shall have the right to operate all equipment, in any operating condition, whether or not such equipment have been accepted as complete and satisfactory. Repairs and alternations shall be made at such times and as directed by _____ (insert name and designation of the tendering officer).

13. Bye laws:

The contractor shall comply with all bye-laws and regulations of local and statutory authorities having jurisdiction over the works and shall be responsible for payment of all fees and other charges and the giving and receiving of all necessary notices and keep the Sr. Stores & Purchase Manager informed of the said compliance with the bye-laws, payment made, notices issued and received.

Contractor shall indemnify the Authority against all claims in respect of patent right, design, trade marks of name or other protected rights in respect of any plant, machine work or equipment used for or in connection with the works or temporary works and against all claims, demands, proceedings, cost, charges and expenses whatsoever in respect of or in relation thereto. The contractor shall defend all action arising from such claims and shall himself pay all royalties, license fees, damages, cost and charges of all and every sort that may be legally incurred in respect thereof.

14. Rates:

Rate for each of the items of schedule of quantities shall be on lump sum basis for equipment delivered at site including all taxes and levies. Prices shall remain firm and free from variations due to rise and fall in the cost of material, equipment, labour or any other reason whatsoever except due to changes in statutory rules and regulations in so far as admissible under the conditions of contract.

15. Terms of Payment:

The Authority shall pay to the contractor in the following manner the contract price unless agreed upon otherwise between the contractor and the Authority:

15.1. All payments will be made by Account Payee Cheque drawn on Public Sector Banks payable at _____ (insert the name of station from where payment is to be made)

15.2 Payment Clause – Any one of the following payment clauses may be inserted depending upon item of purchase, market availability and special conditions as may exist in a particular case.

(i) In case of vehicles/machinery/equipment, where manufacturing firms are reputed and do not normally deliver the equipment without advance payment - 80% payment shall be made by _____ (insert name and designation of tendering officer) on satisfactory inspection of equipment / stores and on proof of despatch to the destination stations after deducting for Security Deposit and all other penalties which the firm might have rendered itself liable as per terms of agreement. Balance 20% payment shall be released on satisfactory commissioning of the equipment by supplier / supplier's representatives at destination stations. (Where however, such reputed manufacturing firms insist on 100% advance payment, the same can also be made in terms of Delegation of Powers Para 8.14).

(ii) In all other cases - 100% payment on satisfactory receipt of stores at destination after deducting for Security Deposit and all other penalties which the firm might have rendered itself liable as per terms of agreement.

Note: i. Any other appropriate payment terms as dictated by situation and approved by competent authority other than the two samples given above can also be included especially in the cases where foreign suppliers are involved and payments are based on opening of Letter of Credit.

ii. Where supply is desired at more than one location, part payments may be permitted when supply has been completed at one particular station.

iii. Where more than one equipment is involved, part payment can also be made when one complete equipment has been satisfactorily received.

will be deducted from the payment in case the firm submits a bank rationalized / scheduled bank for an amount of @ 10% on first Rs One Lakh, @ 7.5 % on Second Rs One Lakh and @ 5% on balance amount of basic cost of ordered value (excluding taxes, duties, transportation charges, if any) to be valid during the period as stipulated in the contract.

15.4 The security deposit will be released only after successful completion of the guarantee and defect liability period.

16. Arbitration

All disputes or differences arising out of the purchase order shall be referred to the sole arbitrator or a person appointed by AAI. The award of the arbitrator so appointed shall be final and binding on the parties. The provision of the Arbitration and Conciliation Act 1996 OR any statutory modification OR re-enhancement thereof and the rules made there under and for the time being in force shall apply to the arbitration proceedings under this Clause.

17. Contract Document:

The agreement shall be executed on a non-judicial stamp paper of value of Rs. 50/- (Rupees fifty only) and cost of the stamp paper shall be borne by contractor.

Note: The value of the stamp duty may differ from state to state and from time to time and may be decided at local level.

18. The contractor shall not be entitled for any extra payment whatsoever on account of above special conditions of contract.

(SIGNATURE WITH NAME AND
DESIGNATION OF THE TENDERING OFFICER)

TECHNICAL SPECIFICATIONS AND DRAWINGS

COMPANY'S LETTER HEAD

PRICE BID

SCHEDULE OF QUANTITY

Name of Work: _____

Particulars	Rate	Qty.	Amount
Basic Price Ex Works @			
Central Excise Duty @			
ST without Forms C & D @			
Basic Price + ED + ST @			
Transportation Charges from works to _____ (insert Destination Station)			
Transit Insurance @			
Octroi, if any			
Miscellaneous, if any (to be specified)			
Total (in figures)			
Total (in Words)			

VALIDITY OF OFFER :

(AUTHORISED SIGNATORY)

NOTE: (i) Excise Duty, Sales Tax, Transportation, Transit Insurance, Octroi and other charges should be clearly and firmly quoted. AAI will not provide any Form 'C' or "D".

(ii) Rates and amount should be written both in figures and words. In case of difference between figures and words, the amount mentioned in words will be treated for the purpose of tender evaluation.

(iii) In case of variation between rate and amount quoted, the words quoted as rates will be treated for the purpose of tender evaluation.

COMPANY'S LETTER HEAD

CERTIFICATE

To _____ (insert the name,
designation and address of tendering officer)

Sir,

It is certified that we have studied and understood the terms and conditions of the Tender for _____ AGAINST NIT No. _____ and agree to abide by the same unconditionally.

AUTHORISED SIGNATORY

STAMP/SEAL OF THE COMPANY

COMPARATIVE STATEMENT OF TENDERS

For supplies required by the _____

All tenders herein entered were called for, received and opened in accordance with the prescribed rules and the notice issued to tenderers

Description	Qty.	Estimated Price	Last Purchase		Rates quoted by Tenderers					Lowest Rate	Total	Remarks
			Date	Rate	I	II	III	IV	V			

CST COUNTERSIGNED BY :
 DATE :

CST PREPARED BY :
 DATE :

LETTER OF INTENT
(ON AAI LETTER HEAD)

No.

Date

To

SUB: LETTER OF INTENT FOR _____

REF: 1. Our NIT NO.
2. Your Technical & Commercial Bid for the same
3. Any other important correspondence

Dear Sir,

. We are pleased to inform you that the competent authority has accepted your rates for _____.

2. Formal Purchase Order being placed by this Office will follow.

3. This letter of intent is being issued to enable you to take preparatory action towards the final supply / completion of order.

4. Please acknowledge the receipt of this communication immediately as a token of acceptance.

Thanking you,

Yours faithfully,

SR.MANAGER (MM) / MANAGER (MM)

AIRPORTS AUTHORITY OF INDIA

PURCHASE ORDER

No. _____
 Date: _____

To

Dear Sirs,

Reference your quotation _____ of _____.

Please supply the following materials against this Order in accordance with the terms and conditions printed overleaf and the terms and conditions accepted against our enquiry.

SNo.	Description	Quantity	Rate	Value

Delivery Terms :
 Payment Terms :
 Taxes :
 Delivery :

Yours faithfully,

Sr.Manager (MM) / Manager (MM)
 For Airport Director

Note:

(Standard Terms & conditions to be printed on the back of the PO).

APPENDIX 28 'A'

AIRPORTS AUTHORITY OF INDIA

Termination of Purchase Order

F.No.

Date

To,

Dear Sirs,

Reference your quotation No. _____ of _____, our Purchase Order No. _____ dated _____.

The above mentioned Purchase Order is herewith cancelled due to the reasons that _____.

The Security deposit / bank guarantee submitted by you is also being forfeited / encashed.

Thanking you,

Yours faithfully,

Sr.Manager (MM) / Manager (MM)
 For Airport Director

AGREEMENT

This agreement made on the _____
between the Airports Authority of India, a statutory Corporation set under the Act of Parliament and having its Operational Offices at Gurgaon Road, New Delhi 110 037, hereinafter called Authority which terms shall mean and include its successors in law and other party _____, hereinafter called Supplier which terms shall include their legal representatives and successors in law any other party. Whereas the supplier has submitted tenders for supply of _____ vide their letter dated _____ and _____ to Airports Authority of India, _____ Airport and the same has been accepted by the Authority on the terms and conditions contained in the Purchase Order No. _____ dated _____.

NOW THE DEED WITNESSETH AS UNDER

That the terms and conditions contained in the Purchase Order No. _____ dated _____ shall form part of the agreement.

Following documents shall also form part of this agreement.

1. Authority's NIT No. _____ dated _____
2. Supplier's Technical Bid .
3. Supplier's Commercial Bid
4. Other relevant correspondence, if any.

SIGNATURE WITH SEAL

PURCHASER

SUPPLIER

Airports Authority of India
International Airports Division
Operational Offices
Gurgaon Road
New Delhi – 110 037

TWENTY RUPEES STAMP PAPER

BANK GUARANTEE

To
The Chairman
Airports Authority of India
Operational Offices
Gurgaon Road
New Delhi – 110 037

Dear Sir,

1. We, the Bank _____ hereby refer to the Purchase Order No. _____ dated _____ between the Airports Authority of India (as Purchaser) and M/s. _____ providing substance for the work _____ to which specific reference is made under the terms of the said contract, the Contractor is required to provide a Bank Guarantee in the form acceptable to the Purchaser in the amount of Rs. _____ (Rupees _____) calculated @ 10% on first Rs. One Lakh, @ 7.5 % on Second Rs One Lakh and @ 5% on balance amount of basic cost of ordered value (excluding taxes, duties, transportation charges, if any) extending to the performance by the seller of all the terms and conditions of the contract.

2. In view of the foregoing and pursuant to the terms of the said contract, which contract is referred to and made a part thereof as fully and to the same extent as it copied at length therein, we hereby absolutely and unconditionally guarantee to the Purchaser performance of the terms and conditions of the said agreement to the extent of Rs. _____.

3. This guarantee shall be construed as an absolute, unconditional and direct guarantee of the performance of the contract without regard to validity, regularity or enforceability of any obligation of the parties of the contract. The Purchaser shall be entitled to enforce this guarantee without being obliged to report initially to any other security or any other remedy to enforce any of the obligations herein guaranteed and may pursue any or all its remedies at one or at different times. Upon default of the contract item(s), we agree to pay to Purchaser on demand and without demur, the sum of Rs. _____ (Rupees _____) or any part thereof upon presentation of a written statement by the Purchaser that the amount of said demand represent damages due from the Seller under the terms of the aforesaid contract. The determination of the fact of breach and the amount of damages sustained and/or liability under this guarantee shall be in the sole discretion of the Purchaser, which decision shall be conclusive and binding on the bank as guarantor.

4. It is mutually agreed that the Purchaser shall have the fullest liberty without effecting in any manner our obligations hereunder with or without our consent to vary any of the term of the said agreement or to extend the time or performance by the Seller from time to time, any of the powers exercisable by the Purchaser against the Seller and either to forbear or enforce any of the terms and conditions relating to the said agreement and we shall not be relieved from our liability by reason of any variation of any extension being granted to the Seller or for any forbearance act or omission on the part of the Purchaser or any indulgence by the Purchaser to the

any such matter or thing whatsoever, which under the law relating to would but for this provision has effect of so relieving our obligations.

5. We undertake to pay to the Airports Authority of India, New Delhi, money so demanded notwithstanding any dispute or disputes raised by the Supplier in any suit or proceeding pending before any Court or Tribunal relating thereto our liability under this present being absolute and unequivocal.

6. The payment so made by us under this bond shall be valid discharge of our liability for payment thereunder and the supplier shall have no claim against us for making such payment.

7. This guarantee will not be discharged due to the change in the constitution of the Bank of the Supplier.

8. We, the Bank _____ do hereby undertake that the payment against this guarantee should be available to Airports Authority of India on the first demand and notwithstanding any contestation of dispute by the party furnishing the guarantee.

9. We, the Bank _____ undertake not to revoke this guarantee during its currency except with the previous consent of the Airports Authority of India in writing.

10. We the Bank _____ undertake that our liability under the guarantee is restricted to Rs. _____ (Rupees _____)

11. Our guarantee will remain in force till _____.

12. _____ This guarantee shall remain in force till _____ unless a claim under this guarantee is made within 3 months from the date. The Bank shall be relieved and discharged from all liabilities thereunder and Airports Authority of India shall have no right under these presents.

13. The amount under the Bank Guarantee is payable without any demur, merely on demand from the beneficiary. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee and where the decision of the beneficiary in these counts shall be final and binding on the Bank. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs. _____.

14. Notwithstanding anything herein contained, our liability under the guarantee shall :

- a) be limited to a sum of Rs. _____ (Rupees _____ only)
- b) stand completely discharged and all your rights under the guarantee shall stand extinguished if no claim or demand is made upon us in writing and received by us on or before _____.

Branch Manager _____
For the Bank _____
Date _____

AIRPORTS AUTHORITY OF INDIA

MATERIAL REJECTION NOTICE

R No. _____

Date _____

To

Dear Sirs,

It is to inform that the following items received vide your Challan No. _____ dated _____ against our Order No. _____ dated _____ have not been found in order as per reason(s) indicated below and rejected vide our Inspection Report No. _____ dated _____ are returned herewith: -

- 1.
- 2.
- 3.

You are requested to please take the delivery of the rejected stock immediately and ensure that the stock is replaced within ____ days from the date of issue of this letter failing which the rejected material will be disposed off as deemed fit by the competent authority. In addition, the stock will be procured from the open market at your risk and cost without any further notice/reminder.

Please acknowledge receipt.,

Yours faithfully,

Sr.Manager (MM) / Manager (MM)

AIRPORTS AUTHORITY OF INDIA

JOB CARD

Fitting/Accessories available

1. Car Radio
2. Car Two- in One
3. Electronic Water
4. Cabin Fan
5. Stepny
6. Tools

JOB NO. _____ K.M. FROM _____ TO _____
 Vehicle No. _____ Date of Commencement _____
 Type _____ Date of Completion _____
 Deptt./ Ministry _____ Tentative date of Completion _____

SNO.	NATURE OF WORK CARRIED OUT	BY WHOM	TIME SPENT	AMOUNT RS. P.

COST OF PARTS		SIGNATURE
COST OF LABOUR		
ANY OTHER COST		
OVERHEAD CHARGES		
TOTAL		
SIGN		Workshop I/c
WORKSHOP SUPDT. / ASST. WORKSHOP SUPDT		
DATE _____ VEHICLE TESTED AFTER		Vehicle along with accessories received after satisfactory repairs
REPAIRS BY _____		
SIGNATURE :		Signature of Driver Name: _____

Contd...

AIRPORTS AUTHORITY OF INDIA

WORK – ORDER

M.T. SECTION / WORKSHOP

1.	Vehicle /C FT /EQUIPMENT NO.	
2.	MAKE / MODEL	
3.	DEFECTS	
	i)	
	ii)	
	iii)	
	iv)	
	v)	
	vi)	
4.	Date / Time	
5.	KMS. READING	

SIGNATURE

BOND TO BE EXECUTED ON NON-JUDICIAL STAMP PAPER OF RS.10/-

Know all men these present I, _____ S/o _____ r/o _____ is hereby held and finally bind myself, which expression unless repugnant to the context shall mean and include the said purchaser/his successors and assigns hereinafter called "Purchaser" unto Airports Authority of India herein referred to as "Authority" which term shall, unless excluded by or repugnant to the context, be deemed to include its Chairman, or any member duly authorized by the Chairman in this behalf, Executive Director, Officers or any of them and shall also include its successors and assigns, to fulfill all relevant formalities of transfer/maintenance of vehicle.

Whereas, the purchaser has purchased a vehicle make _____ Registration No. _____ from the seller for the sum of Rs. _____.

Whereas, the purchaser undertakes the responsibility to get the said vehicle transferred / registered in his name and will apply for the same to the concerned transport authority within a period of two weeks from the date of purchase.

Whereas, the purchaser hereby agrees to take full responsibility for vehicle's maintenance, road tax, accidents, police challan and offences, theft and vehicle's misuse of any kind or any damage to the vehicle during the period, the registration / transfer of vehicle took place in the name of purchaser.

I, (the purchaser) _____, put my signature on this day _____.

Signature of the Purchaser

Witnesses: -

- 1.
- 2.

BROAD GUIDELINES REGARDING TENDER PROCEDURES

1. SALE OF TENDER

- i. Tender documents to be sold by the senior level officer i.e. Sr. Manager/Manager or any other officer heading the concerned Department at the respective Airport/ Station.
- ii. One party to be sold only one tender document. For this purpose, proprietor of more than one firm will be considered as one legal entity.
- iii. No tender to be sold to a party (either a firm or an individual) who is de-barred/black listed by CVC, CBI or AAI.
- iv. Proper record of tenders asked for and sold/refused to be maintained in a specified register duly authenticated by the representative of the party indicating the following information :
 - a) Serial Number.
 - b) Documents submitted by the party for purchase of tender document.
 - c) Tender document issued/not issued.
 - d) Reasons for not issuing the tender documents.

2. RECEIPT OF TENDER

- i. Time prescribed for sale/closing/opening of tenders should be adhered to.
- ii. Tender box to be kept in a secured place preferably in the chamber of Head of Concerned Department.
- iii. Lock of tender box to be sealed.
- iv. Closing of tender box on prescribed time (Closing to be signed by concerned officer and in the presence of one or two participants, if available).

3. OPENING AND EVALUATION OF TECHNICAL BIDS IN ENVELOPE 'A'.

- i. Tender opening committee to be constituted with the prior approval of the authority competent to award the work. A representative from Department of Finance shall be included in the Committee.
- ii. Tenders to be taken out from tender box in the presence of authorised representatives of the tenders available and particulars recorded in a Register.
- iii. All the envelopes to be checked.
- iv. Names of the participants to be announced to confirm the count of tenders.
- v. The sealed financial bids in envelope 'B' as received from the tenders to be separated and sealed in a cover to be duly signed by all the members of the tender opening committee and kept in the custody of a designated officer of the concerned Department.

serially numbered and opening process of technical bids in Envelope 'A' to be started serially.

- vii. All papers comprising tender documents to be serially numbered and total number of pages recorded on first page.
- viii. All the papers to be initialed by the members of the tender opening committee. Cutting, insertion and overwriting, where found should be identified by opening committee.
- ix. The technical bids to be evaluated by the Concerned Department strictly as per the stipulations/ requirements of the tender documents including proper verification of the technical documents as mentioned in the NIT.
- x. Where considered essential, advice of Law Department on legal matters and Finance Department on financial papers / matters may be solicited.

4. **OPENING AND EVALUATION OF FINANCIAL BIDS IN ENVELOPE 'B'**

- i. The financial bid of the technically qualified tenders to be opened preferably within 15 days from the date of opening of technical bids in Envelope 'A'.
- ii. The date of opening of the financial bids to be notified to the technically qualified tender (s).
- iii. The financial bids in Envelope 'B' to be taken out from the sealed cover in the presence of the representatives of the technically qualified tender(s). Where Envelope 'B' of any party is not to be opened, specific remarks should be endorsed on the sealed Envelope 'B' to be signed by all the committee members.
- iv. Sealed Envelopes to be seen for correctness before commencement of the opening of the bids.
- v. All the papers enclosed as Commercial Bid to be initialed by all the members of the tender opening committee. Cutting, insertion and overwriting, where found should be identified by opening committee. Amount / rate of each tenderer to be read out to all the participants.
- vi. Relevant entries to be recorded in the tender opening register.
- vii. Signature of all the representatives of the tender(s) to be taken on the register.
- viii. Evaluation of the financial bids to be carried out by the concerned Department and recommendations made on the basis of comparative statement.
- ix. The recommendations of the concerned Department to be examined by Department of Finance for financial concurrence.
- x. The proposal for award of contract to be approved by competent authority as per Delegation of Powers.
- xi. The reasons for not opening of the financial bids are to be informed to those tenderers whose technical bids were not found acceptable.

LIFE SPAN OF VEHICLES/EQUIPMENT/CAPITAL ASSETS

Sl. No.	TYPE OF CAPITAL ITEM	REPLACEMENT PERIOD
1.	Jeeps	After 6½ years of use or 150000 KMs run whichever is later.
2.	Cars	-do-
3.	Vans	-do-
4.	Ambulances	4 Years of use in International Airport and 8 Years of use in Domestic Airport.
5.	(a) Motor Cycles (3.5 HP and above) (b) Motor Cycles (Below 3.5 HP)	After 7 Years of use or 120000 Kms. whichever is later. After 6 Years of use or 120000 kms. run whichever is later.
6.	Scoters	-do-
7.	Three Wheeler Scooter	-do-
8.	Water Tankers / Water Tenders –125 HP and above	10 Years or 150000 KMs. run whichever is earlier.
9.	Water Tanker Below 125 HP	8 years or 150000 KMs. run whichever is earlier.
10.	Heavy vehicles Excluding Buses	10 Years
11.	Buses 85 HP and above	8 years or 250000 KMs. run whichever is earlier
12.	Buses Below 85 HP	8 Years or 150000 KMs. run whichever is earlier
13.	Tractors/Trailers	6 Years
14.	CFTs / RIVs/ARTs	10 Years
15.	Road Rollers - 8/10 Tons & above	10 Years
16.	R.M. Sweeper (Heavy Duty)	10 Years
17.	Earth Moving Equipment	10 Years
18.	Lathe Machine	10 Years
19.	H.D. Air Compressor	10 Years
20.	Service Ramp	10 Years
21.	Recovery Vehicle	10 Years
22.	L.B. Rollers/ Dollies	10 Years
23.	Forklifts 8/10 Tons & above	10 Years
24.	Friction Measuring Equipment	10 Years
25.	Car Washing Equipment	6 Years
26.	B. A. Compressors	8 Years
27.	Fire Trailer Pump	6 Years
28.	Runway Sweeper (Light Duty)	6 Years
29.	Runway Marking Machine	6 Years
30.	Bay Cleaning Equipment	5 Years

CAPITAL ITEM		REPLACEMENT PERIOD
31	Insecticide Spray Eqpt.	5 Years
32	Forklift Trucks / Hi-Reach Trucks upto 6 tons	5 Years
33	Hi-masts / Flood Light Masts	5 Years
34	Cargo Trolleys	5 Years
35	Passenger Baggage Trolleys	4 Years
36	Power Pallet Truck	4 Years
37	Wheel Chairs	4 Years
38	Grass Cutting Machine	4 Years
39	Hand Pallet Trucks	4 Years
40	Minor Equipment like Battery Charger, Drill Machine, Grinder, Injection Test Bench and all other minor capital assets not covered above.	No time limit. (However, full justification-giving reasons for obsolescence.)
41	Fans - Ceiling	10 Years
42	- Table	7 Years
43	- Exhaust	6 Years
44	Electric Pumps - Small Size	8 Years
45	Medium Size	10 Years
46	Air Conditioners - 1.5 ton	5 Years
47	- Over 1.5 to 5 tons	6 Years
48	Air Conditioning Plant over 5 tons	15 Years
49	Refrigerators	10 Years
50	Desert Coolers	7 Years
51	Room Heater	5 Years
52	Water Heater	5 Years
53	Heavy Duty Switch Gears	20 Years
54	Transformers	20 Years
55	Lifts & Escalators	20 Years
56	Batteries - 12 Volts & above	2 Years
57	- below 12 Volts	1 Year
58	Typewriters	10 Years
59	Carpets	3 Years
60	Fire Extinguishers	5 Years
61	Power Saws	5 Years
62	Fire Suits	3 Years
63	B.A. Sets	8 Years
64	Generators upto 3 KVA	3 Years
65	Generators over 3 KVA to 6 KVA	5 Years

CAPITAL ITEM		REPLACEMENT PERIOD
No		
66	Generators over 6 KVA to 30 KVA	7 Years
67	Generators over 30 KVA	10 Years
68	Diesel Engine upto 10 HP	5 Years
69	Diesel Engine over 10 to 45 HP	8 years
70	Diesel Engine over 45 HP	10 Years
71	Non-moving items (Not covered above)	No time limit (However, full justification giving reasons for obsolescence)
72	Computers	5 Years
73	T. V. Monitors	5 Years
74	L. C. D. Boards	7 Years
75	X-Ray Machines	6 Years
76	CCTV Cameras	5 Years
77	R.T. Sets	5 Years
78	P.A. System Control Equipment	5 Years
79	Testing Equipment for Electronic Equipment	5 Years
80	Computer based Control Equipment	5 Years
81	Power Supply Equipment (U.P.S.) for Electronics	5 Years
82	Intercom Sets/Telephone Equipment	10 Years
83	EPABX	10 Years
84	Instrument Landing System	8 Years
85	V.O.R. / D. V. O.R.	8 Years
86	Airport Surveillance Radar	10 Years
87	M.S.S.R.	10 Years
88	A.R.S.R.	10 Years
89	Non Directional Beacon	10 Years
90	Hand Held Metal Detectors	6 Years
91	Door Frame Metal Detectors	6 Years

AIRPORTS AUTHORITY OF INDIA

LIVERIES ISSUE REGISTER

Name of Employee _____ Designation _____ Employee No. _____ Deptt. _____

Entitlement Summer / Winter	Date of Previous Issue	Date of Current Issue	Qty.	Signature	Date of Previous Issue	Date of Current Issue	Qty.	Signature
Shirt								
Pant								
Woollen Suit								
Overcoat								
Apron Coat								
Blouse								
Sari Synthetic								
Sari Silk								
Jersey / Cardigan								
Tie								
Shoes / Sandals / Socks								
Rain Coat / Gum Boot								
Overall Combination (Dungaree)								
P Cap / Beret Cap / Cap Badge								
Whistle with Cord								
Epaulettes Rank Badge								
Leather Belt								
Pagri								
Name Plate								
Stitching Details								