

F.No.14/12/94-Welfare(Vol.II)  
**Government of India**  
**Ministry of Personnel, Public Grievances and Pensions**  
**Department of Personnel and Training**  
**(Welfare Section)**

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Room No.361, 3<sup>rd</sup> floor,  
Lok Nayak Bhavan,  
New Delhi

Dated: 5.7.2007

**OFFICE MEMORANDUM**

Subject:- Local purchase of stationery and other articles from Kendriya Bhandar, NCCF and other Multi-State Co-operative Societies having majority shareholding by the Central Government.

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In terms of Deptt. of Personnel & A.R's O.M. No. 14/14/80-Welfare dated 14.7.1981, it was made incumbent on all Central Government Departments, their attached and subordinate offices and other organizations financed and/or controlled by the Government located at Delhi/New Delhi to make all local purchases of stationery and other items required by them only from the Central Government Employees Consumer Cooperative Society Ltd. ( Kendriya Bhandar) New Delhi. Only if the Society was not able to supply a particular item, was it permissible for them to make local purchase from other sources. Subsequently, instructions were issued in 1987 and 1994 bringing Super Bazar & NCCF (National Consumer Co-operative Federation) under the purview of DoPT O.M. dated 14.7.1981.

2. After the issuance of new General Financial Rules, 2005, the above dispensations stood withdrawn from 1.7.2005.

3. The matter has since been reviewed in consultation with the Department of Expenditure. The concept of providing an assured market to Kendriya Bhandar (KB), NCCF or any other MSCS is not in keeping with the concept of liberalization of the economy and making the Government organisations competitive and self supporting through open competition. However, keeping in view the avowed objectives of the co-operative movement to ensure supply of goods and services to the consumers at the most economical and competitive prices and taking note of the changed concepts of marketing, it has been decided to adopt the following dispensation in respect of all Central Government Departments, their attached and sub-ordinate offices and other organizations financed and/or controlled by them in making the local purchases of stationery and other items from KB/NCCF :-

- (a) Under Rule 145 of GFRs, 2005, Ministries/Departments can make purchases of goods up to Rs.15,000 without inviting quotations or bids. Further, under Rule 146 of GFRs, 2005, a Local Purchase Committee constituted by the concerned Ministry/Department can make purchases of goods up to Rs.1 lakh on the basis of a market survey to ascertain the reasonableness of rate, quality, etc. and the submission of a certificate to that effect. In partial modification of this Rule, Ministries/Departments are permitted to make purchases at their discretion of all items required for office consumption up to Rs.1 lakh on each occasion directly from Kendriya Bhandar/NCCF without calling for quotations. The responsibility for ensuring the reasonableness of rates, quality, specifications etc. will be equally that of the Purchasing Ministry/Department and KB/NCCF. Further, the reasonableness of rates, quality, specifications, etc. should be certified by the Local Purchase Committee as envisaged under Rule 146 of the GFRs, 2005. It shall be ensured that supply orders are not split under any circumstances with the objective of circumventing the limit of Rs.1 lakh.
- (b) For procurement of all items of office consumption beyond Rs.1 lakh to Rs. 25 lakh, where limited tenders are to be invited as per Rule 151 of the GFRs, 2005, KB and NCCF among others shall also be invited to participate in such limited tenders, in case these cooperatives are functioning at the station. Other things being equal, Purchase Preference will be granted to KB/NCCF, if the price quoted by the co-operatives is within 10% of the L1 price and if these cooperatives are willing to match the L1 price. No price preference over and above the L1 price shall be given to these co-operatives. However, KB/NCCF will be exempted from furnishing bid security (Earnest Money Deposit).
- (c) Supply orders up to Rs.25 lakh, in respect of office equipments covered under the DGS&D rate contract may also be procured from KB and NCCF provided KB/NCCF offer the items at DGS&D rate contracted prices as also fulfill all the contractual obligations which the manufacturers/suppliers of such products are required to meet under the DGS&D rate contract. The Ministries/Departments shall make their own arrangements for inspection and testing of such goods where required.
- (d) The above dispensation shall be applicable only up to 31-3-2010.
- (e) Other Multi-State Co-operative Societies registered prior to the issue of this Office Memorandum in which the majority of the shares are held by the Central Government, are also permitted to avail of the facility of Purchase Preference in respect of limited tender enquiries up to Rs.25 lakh.

4. It is requested that the instructions contained in this Office Memorandum may be noted carefully and complied with in respect of local purchase to be made by Government Departments etc. hereafter. Ministries/Departments are also requested to instruct their attached and subordinate offices as well as other organizations financed and/or controlled by them to follow the same procedure for obtaining their requirements of stationery and other items from the Multi-State Co-operative Societies.

5. This issues with the concurrence of the Ministry of Finance, Department of Expenditure vide their O.M. No.1(12)/E.II(A)/94 dated 12<sup>th</sup> June, 2007.

(Hindi version will follow)



(R.P.Nath)  
Director & Chief Welfare Officer  
Tel No.24625562

To

All Ministries/Departments of the Government of India, their  
Attached and Sub-ordinate offices and other organizations  
Financed and/or controlled by them

(As per standard list)

Copy for information to : Ministry of Finance, Deptt. of Expenditure (Ms.Rubina Ali,  
Under Secretary), E. II (A) Branch, North Block, New Delhi  
with reference to their O.M.No.1(12)/EII(A)/94 dated  
12.6.2007

Copy also for information and necessary action to:

1. Managing Director,  
Central Govt. Employees Consumer Co-operative Society Ltd.  
(Kendriya Bhandar), Pushpa Bhavan, 1<sup>st</sup> floor,  
Madangir Road, New Delhi - 110 062.
2. Managing Director,  
National Consumer Co-operative Federation,  
5<sup>th</sup> floor, Deepali Building,  
92, Nehru Place, New Delhi.