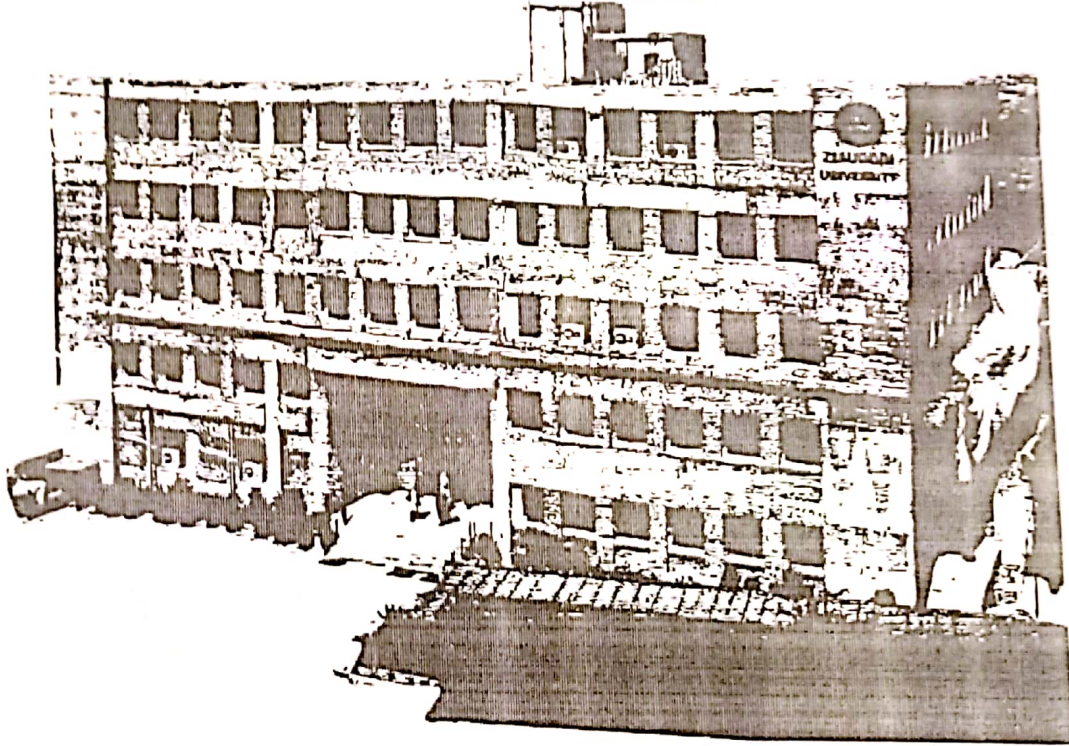




ZIAUDDIN UNIVERSITY

4/B SHAHRA-E-GHALIB BLOCK, 6



STANDARD OPERATING PROCEDURES ZU/MMD/SOP

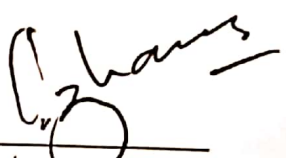
ZIAUDDIN UNIVERSITY

MATERIAL MANAGEMENT DEPARTMENT


STANDARD OPERATING PROCEDURES

Document No. : ZU/MMD/SOP
Original Issue Date : 01-06-2019
Revision :

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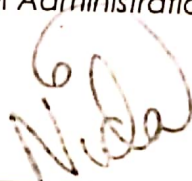

Dr. Nida (Pro-Chancellor)

TABLE OF CONTENTS

<u>S.NO.</u>	<u>TOPIC</u>	<u>PAGE NO.</u>
1.	PURPOSE	03
2.	SCOPE	03
3.	RESPONSIBILITIES	03
4.	PROCEDURE	04
5.	RELATED DOCUMENTS / RECORDS	16
1.	Reasons for purchase	04
2.	Collection of quotation	04
3.	Replacement of existing Item	04
4.	New Purchase	05
5.	Purchase committee	05
6.	Approval of Internal Requisition / Memo	06
7.	Approval of Purchase Requisition in Oracle System	06
8.	Purchase Order Preparation	06
9.	Approval of Purchase Order in oracle System	07
10.	Evaluation of Suppliers	08
11.	Ordering the Material	08
12.	Local Purchase	08
13.	Receiving and Accepting Goods	09
14.	GRN Entry	09
15.	Audit of Materials	10
16.	Warranty	10
17.	Documents Verification	10
18.	Storage of Goods	10
19.	Tracking of Goods	11
20.	Stock Updating	11
21.	Stock Verification	11
22.	Stock Maintenance	11
23.	Expiry Checking	12
24.	Material Issue	12
25.	Returning of Materials	13
26.	Disposal of damaged or expired items	13
27.	Theft, Lost and Snatched Items	13
28.	Physical Stock taking	13
29.	Disposal of Asset	14

1. P U R P O S E

To lay down a procedure for Material Management and to evaluate suppliers, rate and develop them so as to select suppliers on the basis of their ability to meet the quality and departmental requirements.

2. S C O P E

This procedure is applicable to all employees of the Material Management Department at Dr. Ziauddin University, Clifton.

The scope of this procedure covers:

- a) Purchase of items such as Equipment, Instruments, Furniture, Building Materials, Office Stationery & Printing Materials, Spares, and Consumables.
- b) Registration of Potential suppliers
- c) Evaluation and development of existing suppliers.

3. R E S P O N S I B I L I T I E S

Quotations are collected by Materials Management Officer and Purchase Order is prepared by Sr. Officer Material Management. G.M Administration plays a central role in approval of all transactions and ensuring suppliers are maintaining quality when delivering items. He is over all responsible for guidance and trouble shooting of all departmental requirements.

4. P R O C E D U R E

1. Reasons for purchase

An item purchase request is raised with different intentions such as:

- A new item to replace an existing obsolete /damaged item.
- An item which is already in use but additional ones are needed to meet the complete requirement.
- A new item to facilitate a function that was done manually/ not done till date.

2. Collection of quotation

- a) A user/user department raises a request for an item, which shall be furnished with the proposed use, users, functional specifications, safety specifications if required, as well as the brands available in certain cases.
- b) The G.M Administration scrutinizes the requirement in terms of Comparative, cost, criticality of the requirement, quality of product, service and spares availability, vendor/supplier status, and initiates the communication with the vendors. Where the cost comes within his authorization for initiating Purchase Orders, he initiates the process. Where the cost exceeds his authority to decide, he puts it up to the Purchase Committee and Finance Department to decide.

3. Replacement of an existing item:

If the intention of purchase is replacement of an item which was in use, the Assets Condemnation Form is verified. If the Condemnation Form is not submitted, it is prepared.

The Condemnation Note is submitted to the Condemnation Committee. If the committee approves, and gives it in writing, then the G.M Administration proceeds with the Purchase Order. If the Committee

rejects condemnation, then the user is informed the same, in writing explaining this as the ground of denial in purchasing the requested item.

4. New purchase:

Where the item is a new purchase, item specifications are put for approval by the Purchase Committee.

If the vendor of the item is new to the organization, Vendor Registration Form is completed.

The Committee considers the requirement for discussion in the meeting thereafter convened, scrutinizes the requirement against set parameters and accepted practices, and if found necessary, approves the requirement. The G.M Administration subsequently prepares the Purchase Order. If the Committee rejects the requirement then the user is informed the same, in writing explaining this as the ground of denial in purchasing the requested item.

5. Purchase committee

The Purchase Committee Members are,

- 1) For Medical Equipments and Machineries
 - 1) Chancellor /Pro-Chancellor/CFO
 - 2) G.M Administration
 - 3) Biomedical Engineer
 - 4) End user / Indenter
- 2) Maintenance & Electrical Equipment and Machineries
 - 1) Chancellor/Pro-Chancellor/CFO
 - 2) G.M Administration
 - 3) Maintenance Engineer
 - 4) End user / Indenter

6. Approval of Internal Requisition / Memo

User department raise Internal Requisition / Memo and forwarded to Registrar Office for approval of items requested.

After approval of memo from Registrar Office received in Material Management Department for onward proceedings,

Material Management Department gets quotes and prepare comparative statement and get approval from G.M Administration, and mentioned cost on Internal Requisition / Memo and forward to Finance for approval from CFO and Pro Chancellor,

If Items related Capex nature than approval require from Chancellor.

7. Approval of Purchase Requisition in Oracle System

After approval of Internal Memo Material Management Department create Purchase Requisition in Oracle System.

Following are approval hierarchy:

1. Assistant Manager Material Management
2. G.M Administration
3. Finance Department

8. Purchase order preparation in Oracle System

- a) Sr. Officer Material Management prepares the Purchase Order.
- b) Purchase order is placed only for suppliers from the approved list.
- c) Purchase order contains the following information
 - Clear description of goods/services to be procured
 - Quantity rate and value

Standard Operating Procedure (Zia Uddin University)

- Requirement of test certificates, if any
- Delivery schedule
- Mode of dispatch and payment terms
- Inspection clauses

d) Purchase order is verified and reviewed for its completeness by Finance

9. Approval of Purchase Order in Oracle System

After approval of Purchase Requisition it is submitted to following approval hierarchy in Oracle Software for approval.

Following are approval hierarchy:

1. Assistant Manager Material Management
2. G.M Administration
3. CFO
4. Pro Chancellor
5. Chancellor

Note:

If PO amount is up to Rs. 50,000/- than PO forwarded for Pro Chancellor and then to Chancellor.

a) Approved Purchase Order will be sent to the supplier or manufacturer for getting the deliveries.

10. Evaluation of suppliers

- a) The In-charge Supply Chain gets the quality & Technical confirmation of the product on routine basis from user and delivery performance of the vendor.
 - b) Existing suppliers are evaluated based on their past performance and on their quoted prices basis according to the comparative parameters:
 - Delivery Terms
 - Quality & brand
 - Best Price Options
 - Response to queries
 - c) Supplier's Registration form is also a tool for suppliers evaluation, in terms of the supplier's Financial & other strengths
- Final decision of choice of supplier lies with G.M Administration.

11. Ordering the material

- a) Materials are ordered by the Asst. Manager Material Management.
- b) Orders are placed through the phone/mail/direct/courier.
- c) In case of costly items order shall be given directly to the vendor/supplier.

12. Local purchase

- a) Local purchases are done for less value and less quantity items.
- b) In case of emergency also local purchases are done.
- c) A fixed amount shall be kept in hand as cash by the A.M Materials.
- d) Local purchases are done from that cash and the bills are submitted to the Finance Department after proper documentation and Audit.
- e) The expense amount is reimbursed from the Finance department.

13. Receiving and accepting goods

- a) At the time of receiving materials, all the documents like Delivery Challan, Invoice, Purchase order, etc. are checked in order to ensure the same are tallied with all the terms and conditions of Purchase Order, Quantity, Quality, Bill Amount, Warranty/Guarantee Certificate etc.
- b) The quality of all received items including Equipments, preprinted stationary etc. are checked and makes sure that they are up to the standard.
- c) In case of chemicals, expiry date & condition of package are checked.
- d) After verification/Physical Audit, the items received are taken into the stock and computer stock is updated.
- e) The items are placed on its proper places and issues having expiry on first in first out basis (FIFO).
- f) In case of furniture & fixtures the quality of the items like gauge of the sheets used, types of wooden materials used, painting quality, lock and key etc. are checked.

14. GRN entry

- a) Once the material is accepted Goods Received Note (GRN) is entered based on the type of material.
- b) There is separate provision in software for GRN entry.
- c) MM Officer ensures whether the material is an asset item or consumable item.
- d) Entry is made based on that.
- e) Following columns are filled by the Material Management Officer.
 - (i) Asset Organization
 - (ii) Inventory / Consumable Organization

15. Audit of Materials:

Material Management department shall be responsible for audit of goods, services and works procured at their respective ends.

16. Warranty:

Equipments shall be purchased with standard warranty as offered by the supplier / manufacturer. Record of all valid warranties shall be maintained centrally by the AM Materials. Profile of any asset transferred to any department shall also be forwarded to the respective user of the equipment / item who shall, in turn, keep the fact in view and claim the warranty, if the equipment / items become faulty / out of order during warranty period.

17. Documents verification

- a) Goods receipt note is attached to the in warded documents and the bill send for verification to the G.M Administration / AM Materials.
- b) AM Materials, after verifying the documents posts the items to stock.
- c) After the GRN / Bill Audit verification the AM Material Management sends the bills to the G.M Administration for passing the bill for payment to Finance Department.

18. Storage of goods

- a) Incharge Supply Chain is responsible for the storage of goods.
- b) Accepted materials are taken into the stock and to be placed in proper location.
- c) Temperature controlled items are stored at the specified temperature.
- d) Chemical shall be stored in separate place.

19. Tracking of goods

- a) Storage place is labeled for each item.
- b) Goods items list is hanged on every rack.
- c) Goods are arranged in alphabetical order in each shelf.

20. Stock updating

- a) Stock updating is done by the Incharge Supply Chain.
- b) Only verified stock is entered in to the stock.
- c) Incharge Supply Chain verifies and signs the inspected items documents and that shall be forwarded to the G.M Administration for further verification and submission to Finance Department for payment.

21. Stock verification

- a) All received goods are kept under inspection.
- b) Supply Chain Officer verifies all the items.
- c) Any damaged or mismatching items are rejected.
- d) Rejected items are transferred to the 'rejected items' area.

22. Stock maintenance

- a) Incharge Supply Chain maintains the stock level.
- b) Incharge Supply Chain takes necessary stock reports periodically and counter verifies the physical stock with system stock.
- c) He monitors the re-order level and gives proper intimation to Supply Chain Officers for material to be procured on daily basis.
- d) The items, which are very urgent in nature, are intimated to the G.M Administration immediately on getting the request from the indenter.

- e) Minimum stock level shall be maintained for the short period stable materials.
- f) Physical verification of stock is carried out and the periodicity of the verification is in accordance with the classification of the items.

- i. **Item A-** High value items- every month
- ii. **Item B-** Moderate value items- once in 2 months
- iii. **Item C-** Low costs items- Once in 3 months

23.Expiry checking

- a) Incharge Supply Chain assigns the staff for expiry checking.
- b) Expiry of items is checked at the end of month.
- c) Entire items are checked for out of date.
- d) Before opening new kit/reagent, expiry is checked.
- e) Near expiry items are sent back to the supplier.
- f) The period of near expiry shall be defined and prefixed.

24.Material issue

- a) Ready stock items are issued to the indenters based on Material Issue Requisition within the time limit.
- b) Materials are issued on FIFO basis.
- c) Old stock/useless items are removed from the storage place.
- d) Materials are issued based on the consumption of the end user.
- e) Consumption patterns are monitored periodically and proper alerting measures to be taken on that department, to avoid improper utilization.

25. Returning of materials to stores

- a) If any material is returned to supply chain by departments, details are documented by user on Returned Voucher. The materials received are visually inspected, received and the Stock Register is up dated.

The reason for return of material is specified in Stock Register

26. Disposal of damaged or expired items

- a) Damaged and expired items are disposed in time.
b) Disposal is done with the permission of G.M Administration.
c) Near expiry items are replaced from the supplier if possible

27. Theft, Lost and Snatched Items

- a) Any Capex / non capex found theft / lost will be adjusted against audit Report.
b) Snatched items shall be processed against FIR / Prior approval

28. Physical Stock Taking of Assets and Excess/Shortage Adjustments:

1. A physical stock taking of all assets shall be carried out in June every year by AM Materials / Audit.
2. AM Materials shall also carry out quarterly physical verification of all Materials list verified by Internal Audit.
3. All department, sections, office, site and / or officers / staff of the Office / Project shall extend full cooperation to the Am Materials and Audit in performance of above duties.
4. Based on physical counting, a list of excesses and shortages will be prepared by the AM Material. The Internal Audit shall

prepare a report of weaknesses in the system and make recommendations for improvement.

- 5 shortage and excess shall be thoroughly investigated by Internal Audit to determine reasons and propose the course of action.

29. Disposal of Assets:

Disposal of an asset shall be proposed / considered, if:

1. It has been declared as unserviceable or obsolete;
2. It has completed the useful life and the Assets Register maintained by FD shows zero book value;
3. It has become beyond local repair.
4. It has been damaged or destroyed, after the cause of damage or destruction stands duly investigated and responsibility, if any, fixed as per Asset Loss / Damage Report.
5. All disposal proposals shall be placed before the following Disposals Committee for recommendations:

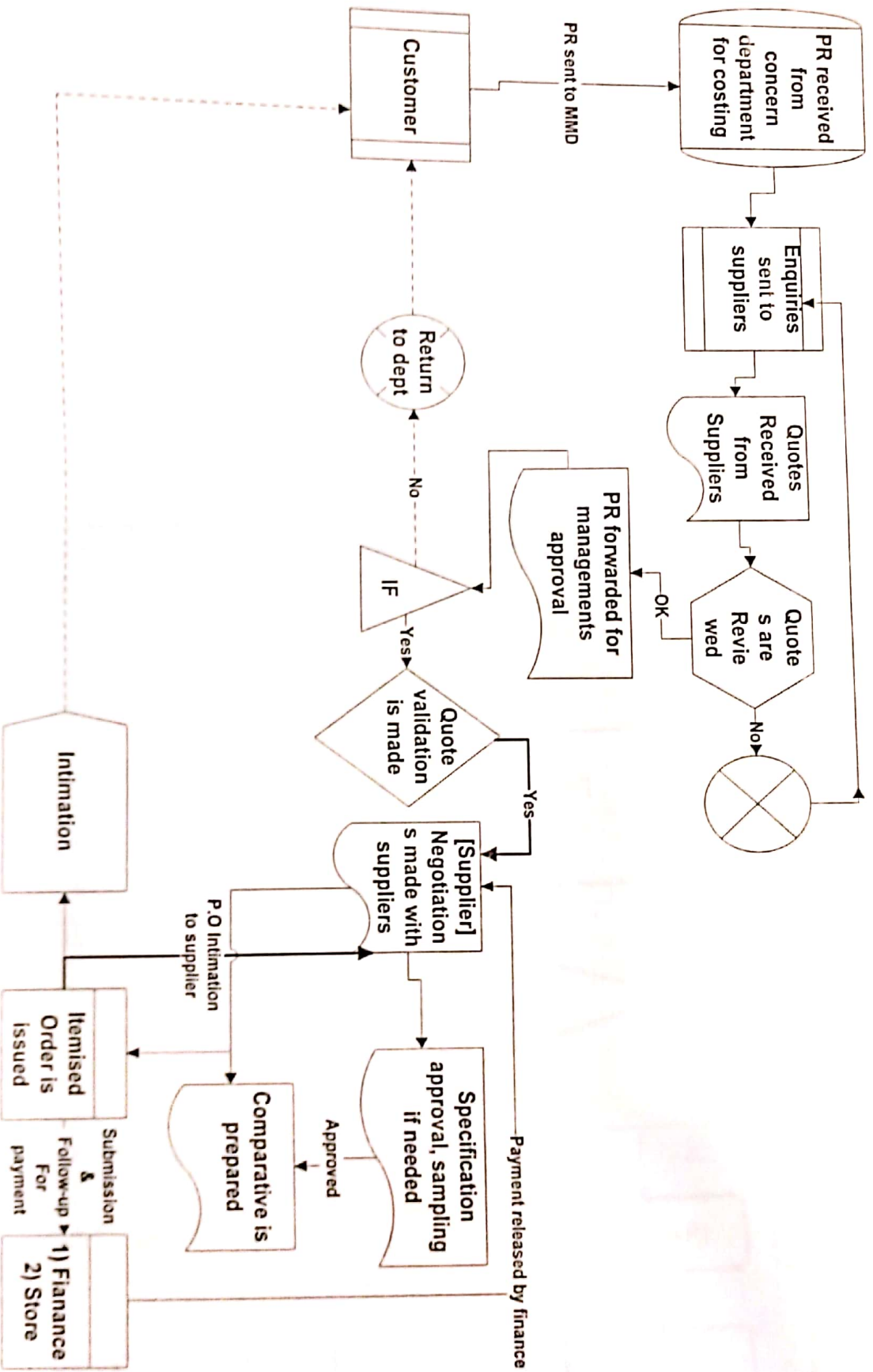
- a. Registrar of University
- b. Director Finance
- c. Manager Information System
- d. Manager Maintenance
- e. Manager Biomedical
- f. Internal Audit
- g. Vice Chancellor
- h. Chancellor

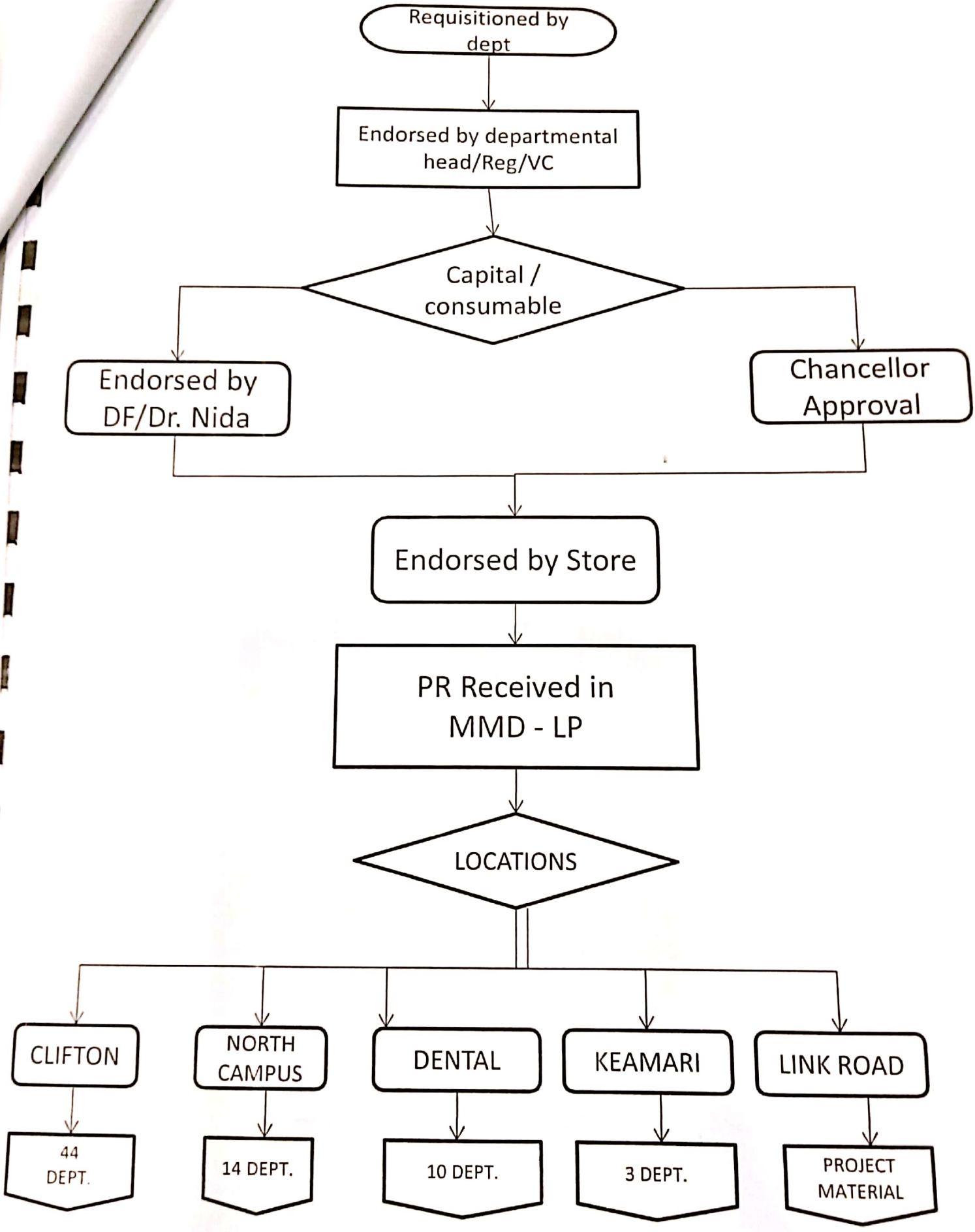
6. The Technical concern shall prepare an Asset Condemnation Report. AM Material provide financial information like cost, accumulated depreciation and written down value shall be completed by Finance Department.
7. Items identified for disposal shall be disposed of When Needed in a year. The Advice will be reviewed by an officer designated by the AM Material / Incharge of Technical.
8. After approval of the Condemnation Report by the said officer, the Am Material, shall arrange for an auction as per prevailed rules on the subject.
9. A Comparative Statement of offers will be prepared by the office of MM Officer.
10. Only the highest offer shall be accepted for the sale of any Materials.
11. An item remaining unsold may be written off the records on the authority of an Adjustment Note to be prepared by the FD and approved by competent authority.
12. Prior to removal from the office, the surplus computer equipment shall be sent to an Information Technology Person where all data will be erased from the hard drive.
13. All assets disposed of under this clause shall be charged off the relevant records on the authority of the approved Asset Condemnation Report by FD.

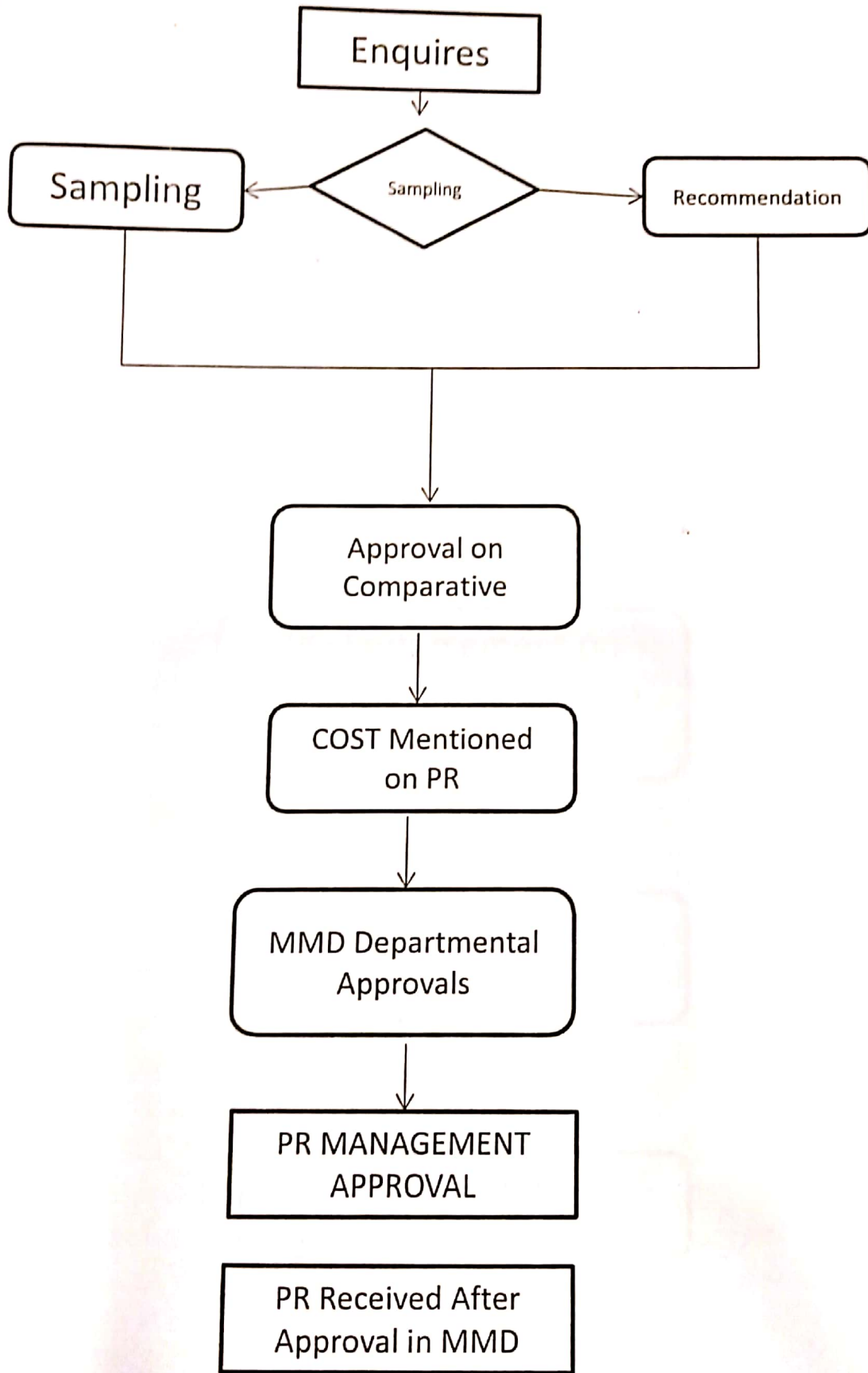
5. RELATED DOCUMENTS / RECORDS

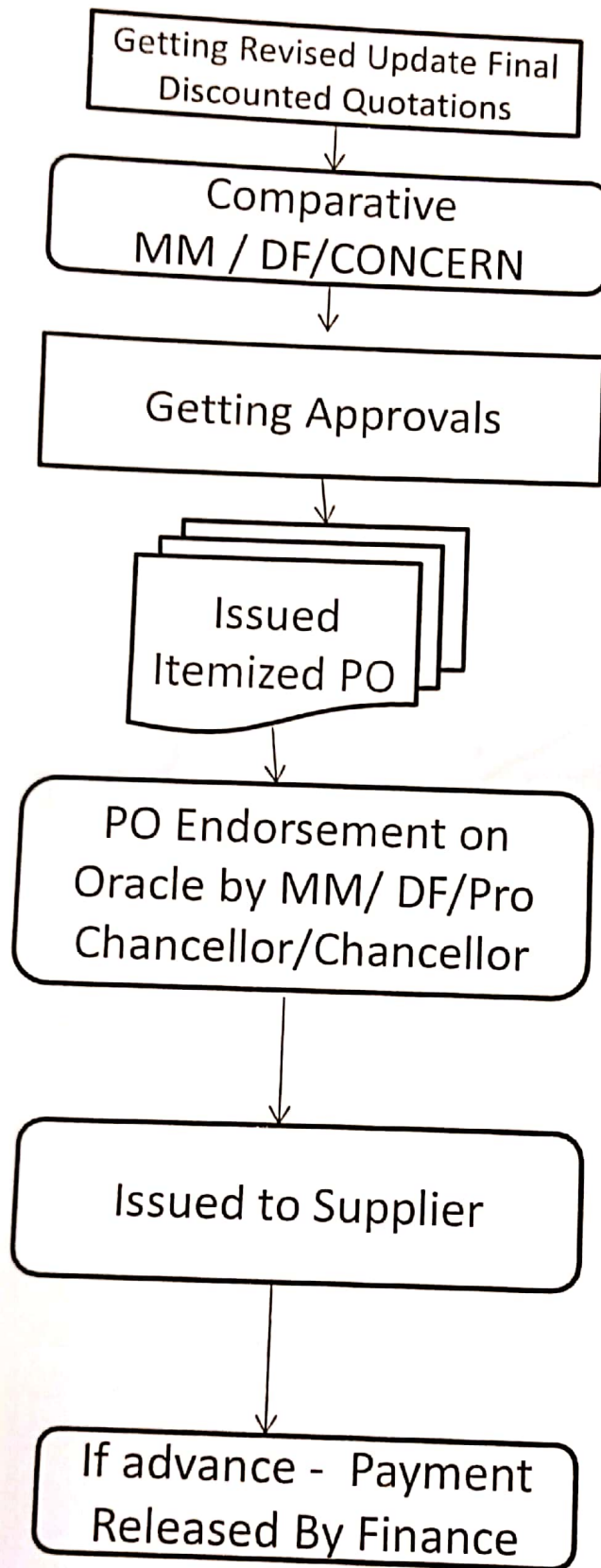
Purchase Order	ZU/CLIF/MMD
Assets Condemnation Form	ZU/CLIF/MMD
Vendor Registration Form	ZU/CLIF/MMD
Approved Vendor List	ZU/CLIF/MMD
Delivery Challan	ZU/CLIF/MMD
Goods Receiving Note	ZU/CLIF/MMD
Material Issue Requisition	ZU/CLIF/MMD
Returned Voucher	ZU/CLIF/MMD

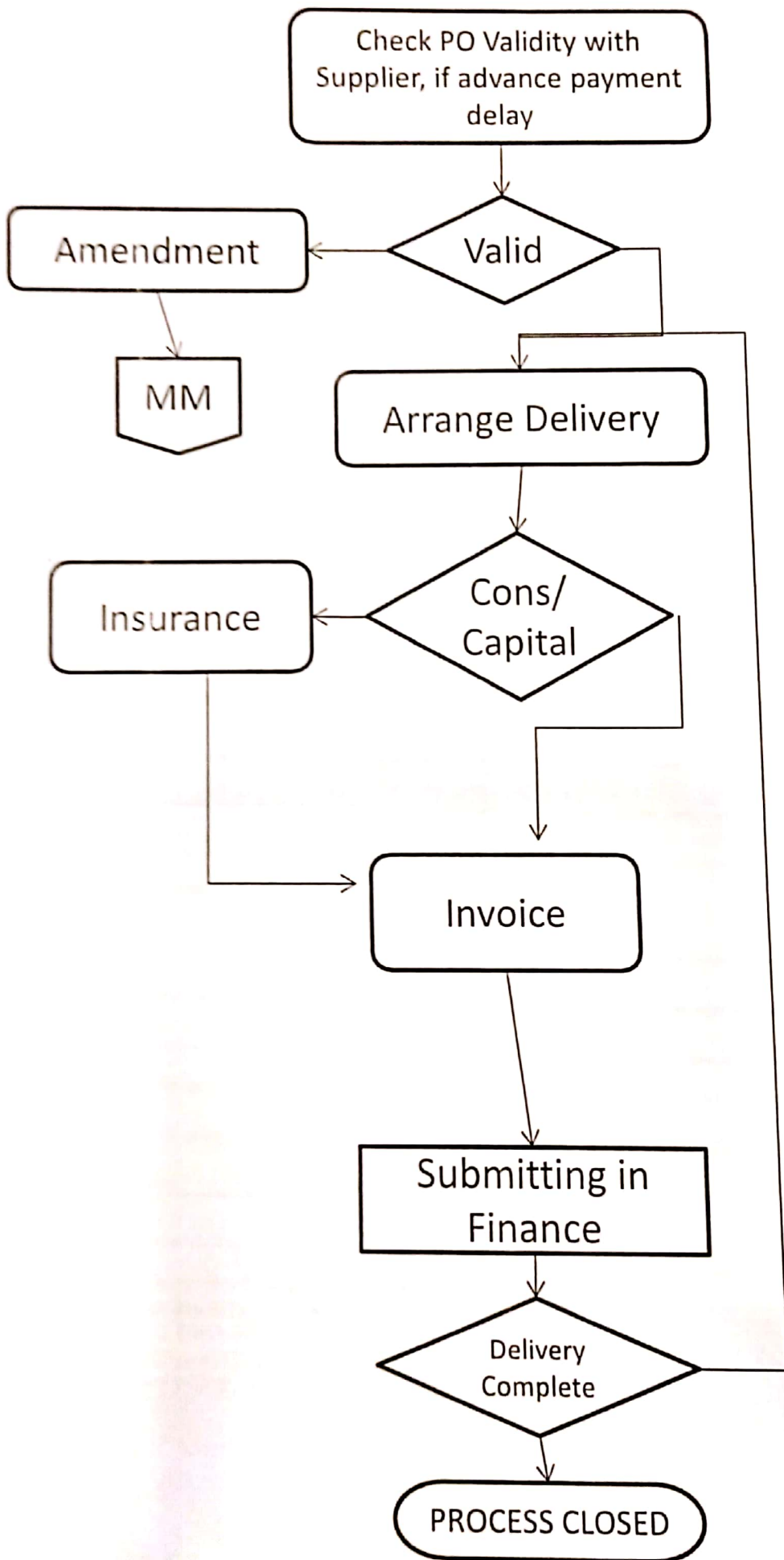
Purchase Ordering Work Flow











**ZIAUDDIN UNIVERSITY
VENDOR / SUPPLIER REGISTRATION FORM**

1- Organization Name: _____

2- Address: _____

Phone: _____ Fax: _____

Email: _____

3- Year of establishment _____ 4- Organization type: Proprietorship

Partnership

Private Limited Co.

Public Limited Co.

5- NTN _____

6- GST No. _____

7- Names of Owners/Partners/Directors:

Name	Designation
1	
2	
3	
4	

8- Products/Services Offered. (Mention any agency relationship or exclusive distributorships):

9- List major clients/customers:

10- Annual Revenues: Under Rs.1 million Rs.1.0-4.99 millior Rs. 5.0-10 million Over Rs. 10 million

11- Number of employees: Under 10 11-50 Over 50

Signature: _____ Name: _____ Designation: _____

Date: _____

12- Please attach/enclose along with this application (If applicable):

- a-Introduction letter / Company Profile.
- b-Product Brochures and/or Catalogues.
- c-Copy of your NTN Certificate.
- d-Copy of your Sales Tax Registration Certificate.