

# Procurement 1-2-3



(A concise manual of systems and procedures for  
"Procurement"- useful for MSME and public enterprises)

Haritkumar M. Bhatt

Published by:



**Trivedi & Associates  
Technical Services (P.) Ltd.**

AN ISO : 9001-2008 Company & NABL Accreditation Laboratory  
(A Name..... you can always trust)

# Index

Para No.	Description	Page No.
<b>Procurement Function</b>		
<b>1.00</b>	<b>Objectives</b>	<b>1</b>
<b>2.00</b>	<b>Functions</b>	<b>1</b>
<b>3.00</b>	<b>Six Rights [Principles]</b>	<b>2</b>
3.01	Right Quantity	2
3.02	Right Quality	2
3.03	Right Price	3
3.04	Right Time	3
3.05	Right Supplier	4
3.06	Right Terms	4
<b>4.00</b>	<b>Purchasing Cycle</b>	<b>5</b>
4.01	Recognition Of The Need And Generation Of The Demand	5
4.02	<b>Enquiries – Requests For Bids Or Quotations</b>	<b>6</b>
4.03	Source SelectionDetermination Of Price	9
4.04	Placing Of Contracts	15
4.05	Post Contract Work	18
4.06	Purchase Through Petty Cash	22
<b>5.00</b>	<b>Conditions of Contract</b>	<b>24</b>
5.01	General Conditions Of Contract	24
5.02	Special Conditions Of Contract	27
5.03	Terms UnderGeneral Conditions of Contract	29
5.04	Additional General Conditions of Contract	48
<b>6.00</b>	<b>Source Selection</b>	<b>52</b>
6.01	Right Source	52
6.02	Sources of Information Regarding Potential Suppliers	52
6.03	Supplier Selection	53
6.04	Qualities To Look For In A Good Supplier	55
6.05	Registration Of Suppliers	57
6.06	Past Performance	59
6.07	Manufacturer's Agents, Stockists, Importers	60
6.08	Benefits To Registered Suppliers	60
6.09	Supplier Evaluation	60
6.10	Source Development	62
6.11	Records Of Registered Suppliers	63
6.12	Buyer & Seller Relationship	63