

**Indian Institute of Information Technology, Allahabad  
Office of the Dy. Registrar (Finance & Accounts)**

Ref. No: IIIT-A/DR(F&A)/GFRs/2019/419  
Dated: 23.01.19

**CIRCULAR**

**Subject:- Rule 139 and 155 of GFR's 2017 -- Regarding**


Of late, it has been observed that there was some misinterpretation on the applicability of Rule 139 and 155 of GFR.

In this connection, it is hereby brought to notice of all concerned that **Rule 139 of GFR (copy enclosed)** is applicable for "Execution of Works" by resorting to "Limited Tenders costing less than Rs. 5,00,000/- and Open Tenders costing Rs. 5,00,000/- to Rs. 30,00,000/-", whereas **Rule 155 of GFR (copy enclosed)** is applicable for "Purchase of Goods" by resorting to "Local Purchase Committee consisting of three members costing above Rs. 25,000/- up to Rs. 2,50,000/- only".

This may kindly be noted by all concerned.

It is requested to meticulously adhere to the aforesaid mentioned General Financial Rules 2017 while resorting to procurement under market survey.

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Dy. Registrar (Finance & Accounts)

**Copy to:-**

- Director
- Registrar (Acting)
- Chief Vigilance Officer
- All Faculty Members / Officers / Staff Members



obtained from the appropriate authority in each case.

- (ii) sanction to incur expenditure has been obtained from the competent authority.
- (iii) a properly detailed design has been sanctioned; while designing the projects etc, principles of Life Cycle cost may also be considered.
- (iv) estimates containing the detailed specifications and quantities of various items have been prepared on the basis of the Schedule of Rates maintained by CPWD or other Public Works Organisations and sanctioned.
- (v) funds to cover the charge during the year have been provided by competent authority.
- (vi) tenders invited and processed in accordance with rules.
- (vii) a Work Order issued.

**Rule 136** (2) On grounds of urgency or otherwise, if it becomes necessary to carry out a work or incur a liability under circumstances when the provisions set out under sub rule 1 of rule 136 cannot be complied with, the concerned executive officer may do so on his own judgement and responsibility. Simultaneously, he should initiate action to obtain approval from the competent authority and also to intimate the concerned Accounts Officer.

**Rule 136** (3) Any development of a project considered necessary while a work is in progress, which is not contingent on the execution of work as first sanctioned, shall have to be covered by a supplementary estimate.

**Rule 137** For purpose of approval and sanctions, a group of works which forms one project, shall be considered as one work. The necessity for obtaining approval or sanction of higher authority to a project which consists of such a group of work should not be avoided because of the fact that the cost of each particular work in the project is within the powers of such approval or sanction of a lower authority. This provision, however, shall not apply in case of works of similar nature which are independent of each other.

**Rule 138** Any anticipated or actual savings from a sanctioned estimate for a definite project, shall not, without special authority, be

applied to carry out additional work not contemplated in the original project.

**Rule 139** **Procedure for Execution of Works.** The broad procedure to be followed by a Ministry or Department for execution of works under its own arrangements shall be as under :-

- (i) the detailed procedure relating to expenditure on such works shall be prescribed by departmental regulations framed in consultation with the Accounts Officer, generally based on the procedures and the principles underlying the financial and accounting rules prescribed for similar works carried out by the Central Public Works Department (CPWD);
- (ii) preparation of detailed design and estimates shall precede any sanction for works;
- (iii) no work shall be undertaken before Issue of Administrative Approval and Expenditure Sanction by the competent Authority on the basis of estimates framed;
- (iv) Open tenders will be called for works costing Rs. Five lakh to Rs. Thirty lakh;
- (v) limited tenders will be called for works costing less than Rupees five lakhs;
- (vi) execution of Contract Agreement or Award of work should be done before commencement of the work;
- (vii) final payment for work shall be made only on the Personal Certificate of the Officer-in-charge of execution of the work in the format given below:  
"I ..... Executing Officer of (Name of the Work), am personally satisfied that the work has been executed as per the specifications laid down in the Contract Agreement and the workmanship is up to the standards followed in the Industry."

**Rule 140** For original/minor works and repair works entrusted as per Rule 133(2) or Rule 133(3), the Administrative Approval and Expenditure Sanction shall be accorded and funds allotted by the concerned authority under these rules and in accordance with the Delegation of Financial Power Rules. The Public Works Organisation or the Public Sector Undertaking or any Organisation allotted



Ministry/Department will maintain such list which will also be displayed on their website.

- (iv) The bidder shall not be debarred unless such bidder has been given a reasonable opportunity to represent against such debarment

**Rule 152 Enlistment of Indian Agents.** As per the Compulsory Enlistment Scheme of the Department of Expenditure, Ministry of Finance, it is compulsory for Indian agents, who desire to quote directly on behalf of their foreign principals, to get themselves enlisted with the Central Purchase Organisation (eg. DGS&D). However, such enlistment is not equivalent to registration of suppliers as mentioned under Rule 150.

**Rule 153 Reserved Items and other Purchase/Price Preference Policy.**

- (i) The Central Government, through administrative instructions, has reserved all items of hand spun and hand-woven textiles (khadi goods) for exclusive purchase from Khadi Village Industries Commission (KVIC). It has also reserved all items of handloom textiles required by Central Government departments for exclusive purchase from KVIC and/or the notified handloom units of Association of Corporations and Apex Societies of Handlooms (ACASH).
- (ii) Ministry of Micro, Small and Medium Enterprises (MSME) have notified procurement policy under section 11 of the Micro, Small and Medium Enterprises Development Act, 2006.
- (iii) The Central Government may, by notification, provide for mandatory procurement of any goods or services from any category of bidders, or provide for preference to bidders on the grounds of promotion of locally manufactured goods or locally provided services.

**Rule 154 Purchase of goods without quotation**

Purchase of goods upto the value of Rs. 25,000 (Rupees twenty five thousand) only on each occasion may be made without inviting quotations or bids on the basis of a certificate to be recorded by the competent authority in the following format.

"I,, am personally satisfied that these goods purchased are of the requisite quality and specification and have been purchased from a reliable supplier at a reasonable price."

**Rule 155 Purchase of goods by Purchase Committee.** Purchase of goods costing above Rs. 25,000 (Rupees twenty five thousand only) and upto Rs.2,50,000/- (Rupees two lakh and fifty thousand only) on each occasion may be made on the recommendations of a duly constituted Local Purchase Committee consisting of three members of an appropriate level as decided by the Head of the Department. The committee will survey the market to ascertain the reasonableness of rate, quality and specifications and identify the appropriate supplier. Before recommending placement of the purchase order, the members of the committee will jointly record a certificate as under.

"Certified that we, members of the purchase committee are jointly and individually satisfied that the goods recommended for purchase are of the requisite specification and quality, priced at the prevailing market rate and the supplier recommended is reliable and competent to supply the goods in question, and it is not debarred by Department of Commerce or Ministry/ Department concerned."

**Rule 156 (1) Purchase of goods directly under Rate Contract.** In case a Ministry or Department directly procures Central Purchase Organisation (e.g. DGS&D) rate contracted goods from suppliers, the prices to be paid for such goods shall not exceed those stipulated in the rate contract and the other salient terms and conditions of the purchase should be in line with those specified in the Rate Contract. The Ministry or Department shall make its own arrangement for inspection and testing of such goods where ever required.

**Rule 156 (2)** The Central Purchase Organisation (e.g. DGS&D) should host the specifications, prices and other salient details of different rate contracted items, appropriately updated, on the web site for use by the procuring Ministry or Department.

**Rule 157** A demand for goods should not be divided