

Procurement Policy

1. Purpose:

Purpose of this policy is to provide a guideline and establish principles for all Revenue & Capital Expenditures incurred in connection with the UCPs business activity to ensure transparency, accountability, expenditure control and ensuring adequate controls to safeguard University assets..

2. Scope and eligibility:

University management must ensure that these policy guidelines are adhered to at all levels of the organization in letter and spirit to ensure effective efficient approval process.

3. Objectives:

The main objectives of this policy are to:

- 3.1 Ensure compliance with legal, tax and other regulatory obligations.
- 3.2 Prepare prudent annual revenue & capital expenditure budgets.
- 3.3 Prevent frauds.
- 3.4 Make payments to Vendors, control expenditure and avoid wasteful & unauthorized spending.

4. Effective Date:

This policy shall be effective from 1st August, 2021 and shall replace all existing policies and practices.

5. General Principles & Controls:

Following General Principles and Controls have to be observed by all stakeholders:

- 5.1 All proposed expenditures should be consistent with UCP policies & procedures.
- 5.2 Purpose for expenditure should be appropriately documented on the requisition
- 5.3 All payment requests for expenditures (revenue & capital) must be routed through the concerned office/ branch after getting necessary approvals.
- 5.4 Wherever required, standard request forms must be used for processing of expenses.
- 5.5 Payments will be made subject to necessary documentation and after deduction of applicable taxes.
- 5.6 All payments to be made through Banker's Cheque / credit to account / advices / foreign remittances only, except for petty cash transactions (typically not more than Rs. 25,000 per instance).

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- 5.7 Wherever required, standard request forms must be used for processing of expenses.
- 5.8 All purchasing must satisfy the following principles:
 - 5.8.1 Transparency of process.
 - 5.8.2 Fairness and impartiality.
 - 5.8.3 Competitiveness of the process.
 - 5.8.4 Security, confidentiality and integrity of the process.

6. Requisition Process:

- 6.1 Prior to any funds being expended or commitments made, it is necessary for the expense to be formally approved by competent authority. Deans of the Faculties / Directors / Head of the Departments will sign and endorsed the requisition.
- 6.2 For all expenditure, approval must be obtained in documented form which should be signed by relevant authority of every department.
- 6.3 If the expenditure pertains to rates approved by competent authority or duly approved / executed agreements, no further approval will be necessary.
- 6.4 In case authorizer himself / herself is the beneficiary of a transaction, authorization should be obtained from one level above the delegated financial authority.

7. Purchasing Process:

- 7.1 For Capital Expenditures beyond the limit of Rs. 100,000/-, the requisition is to be routed to Chairman's Secretariat through Provost / Pro-Rector's Office. The capital expense of less than Rs. 100,000/- will be executed by the UCP Procurement Office for local purchase through Director Administration / Provost Office.
- 7.2 Procurement department will check the received requests for any discrepancies and if none are found, Purchase Executive will sign the request and the request will be updated in the requisition register for further processing.
- 7.3 Procurement of items within the lower threshold (i.e. PKR 20,000-25,000) will be done on single quotation.
- 7.4 For procurement of items costing more than PKR 25,000, procurement department will obtain a minimum of 3 quotations from different vendors and the purchase order will be awarded to the lowest quoting vendor according to the availability of items required.
- 7.5 The procurement on account of monthly recurring expenditure for PDM and UCP Stores, 3 quotations will be obtained, lowest quoting vendor is to be awarded the purchase order. The quotation so approved will be valid for next 3 months and procurement will be conducted on single quotation basis. During 4th month, the condition of inviting 3 quotations will be binding for the purchase of further 3 months.

7.6 The repair / maintenance cost for any 1 transaction beyond the limit of Rs. 100,000/- will be routed to the Chairman's Secretariat for approval through the Provost / Pro-Rector's Office.

7.7 The monthly recurring expense on account of :

- i. **PDM (Property Development & Maintenance Department) (Approved Limit = Rs. 650,000/-)**
 - a. Electrical
 - b. Air Conditioning
 - c. Civil Works
- ii. **UCP Stores (Approved Limit = Rs. 450,000/-)**
 - a. Printing & Stationery
 - b. General Utilities
 - c. Refreshments

Will be administered by Director Administration Office through UCP Procurement Department in line with the maximum approved limits for each sub-department.

8. Preparation of Purchase Orders:

All purchase orders will be made on AX Dynamic and below mentioned details will be mentioned on all Purchase Orders.

- 8.1 Name and address of vendor.
- 8.2 Date of order placement.
- 8.3 PO Number.
- 8.4 Expected date / days of delivery of good / rendering of services.
- 8.5 Terms of purchase (i.e. down payment, installments or advance payment, etc.).
- 8.6 Specific quantity / unit of measurement or any other specifications (if any).
- 8.7 Unit price.
- 8.8 Signature of authorizer.

9. Order & Delivery Process:

- 9.1 Once the PO has been approved by the **Director Administration and Provost**, procurement officer will place the order to vendor and arrange delivery.
- 9.2 Vendor will contact the relevant POC before executing any delivery.
- 9.3 Upon delivery, vendor will take receiving from the concerned POC on pre-defined format of GRN.
- 9.4 Once the item has been received, concerned POC of relevant department will also sign and send the acknowledgement to the procurement department.

9.5 For delivery timelines, consult **Annexure A**.

10. Payments Process:

- 10.1 Expenditure will be validated by the office / business procuring service or supply / making request for payment.
- 10.2 In case of imported items, all relevant import documents will be attached with the invoice by the vendor to the procurement department including BL/AWB or any other supporting document for payment processing.
- 10.3 For capital nature items, GRN should be attached with the invoice.
- 10.4 For non-capitalized nature items, email of acknowledgement should be attached with the invoice.
- 10.5 Payment to the vendor will **normally** be done in a period of 30 days after receiving the invoice.

11. Other Terms and conditions:

- 11.1 Monthly budgeted plan prepared by the Treasurer Office in consultation with Director Administration dully endorsed by Pro-Rector Office will be submitted to the Chairman Secretariat's for release of funds.
- 11.2 For any advance payment, a proper justification will be stated on the PO for relevant approval.
- 11.3 Advance payment maybe released based on the endorsement of relevant Director for the following cases:
 - 11.3.1 Payment is being made under an agreement which is preapproved.
 - 11.3.2 Payment is of a recurrent and expected nature.

12. Governance and Ownership

- 12.1 HR department will be the custodian and owner of the UCP Procurement Policy.
- 12.2 No other policy document or practice shall be followed.
- 12.3 Any changes or modifications will only be communicated by the HR department with approval from the Pro-Rector/Executive Director.
- 12.4 Any exceptions in the above policy will require Pro-Rector/Executive Director approval.

Annexure A

I.T Accessory		
Sr.No	Description	Tentative Time
1	i) Ready Stock	3 Working days after Purchase Order Approval

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2	ii) Imported Items	6 to 8 working weeks after Purchase order approval
3	iii) Manufacture Items	3 to 6 Weeks
Laptop/ PC as per policy		
1	i) Ready Stock	3 Working days after Purchase Order Approval
2	ii) Imported Items	6 to 8 working weeks after Purchase order approval
Tool For Work Laptop/ Desktop		
1	i) Ready Stock	3 Working days after Purchase Order Approval
2	ii) Imported Items	6 to 8 working weeks after Purchase order approval

Consumable Items		
Sr.No	Description	Tentative Time
1	i) Ready Stock	5 Working days after Purchase Order Approval
Stationery		
1	i) Ready Stock	5 Working days after Purchase Order Approval
2	ii) Items Customized or Manufacture	3 to 6 Weeks
Vehicle		
1	Car Booking	As per Booking Time
Printing		
1	Routine Printing	3 to 4 Working Weeks