

GOVERNMENT OF TAMIL NADU.

ABSTRACT.

[Stores—Purchase of stores—Fixation of monetary limits—Issued.]

[G.O. Ms. No. 588, Finance (Salaries), dated 7th September 1982.]

READ—

1. G.O. Ms. No. 94, Agriculture, dated 23rd 1980.
2. From the Director of Treasuries and Accounts, Dis. No. 7278/82, D 4, dated 11th August 1982.

ORDER :

According to Article 125 of the Tamil Nadu Finance Volume I, tender should be obtained (i) by advertisement (open tender), (ii) by direct invitation to a limited number of firms ("limited tender"), or (iii) by invitation to one firm only ("single tender" or "private purchase"). The "open tender" system, i.e., invitation of tender by public advertisement should, however, be used as a general rule and should be adopted whenever the estimated value of the order placed is Rs. 10,000 or over. The "limited tender" system should ordinarily be adopted whenever the estimated value of the order to be given is less than Rs. 5,000.

99

2. In the Government order first read above, due to escalation of cost of stores and also to reduce the expenditure on advertisements, the Director of Agriculture was permitted to adopt the following procedure for purchase of stores in respect of Agriculture Department:—

- (i) For purchase of stores up to Rs. 10,000 quotations be obtained from three or four reputed and accredited firms and the lowest rate will be accepted, according to the equality and standard of produce;
- (ii) For purchase of stores, worth more than Rs. 10,000 and up to Rs. 25,000 limited tender system will be adopted;
- (iii) For purchase of stores worth more than Rs. 25,000 open tender system will be adopted by advertisements in leading news papers.

3. In his letter second read above the Director of Treasuries and Accounts has suggested that all Heads of Departments order first read above for the purchase of stores and to reduce the expenditure on advertisements.

4. After careful examination of proposal, the Government of Treasuries and Accounts in paragraph 2 above and they accordingly direct that all Heads of Department may,—

- (i) make purchase of stores up to Rs. 10,000 by obtaining quotations from three or four reputed and accredited firms and accepting the lowest rate according to the quality and standard of the product;
- (ii) adopt the limited tender system, for the purchase of stores worth more than Rs. 10,000 and up to Rs. 25,000; and
- (iii) Adopt open tender system by advertisement in leading news papers, for purchase of stores worth more than Rs. 25,000.

5. Necessary amendment to the Tamil Nadu Financial Code, Volume I will be issued separately.

(By order of the Governor.)

K. M. GURUSWAMY,  
Deputy Secretary to Government