

ALL INDIA INSTITUTE OF MEDICAL SCIENCES  
ANSARI NAGAR, NEW DELHI-29

(FINANCE DIVISION)

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CIRCULAR

**Subject: Procurement of Goods/Fundamental principles of public buying-advisory on Rate Contracts.**

It is brought to the notice of all concerned that the provisions of GFR states that every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy, and transparency in matters relating to public procurement.

- It has been noticed that some of the Rate Contracts are being continued from last 8 to 10 years. The continuation of Rate Contract beyond the permissible time period is a very serious issue as regards irregularities in timely re-tendering the Rate Contract items. Audit and Vigilance Wing may take serious objections to the practice since the reasonability and competitiveness of prices is not possible to be ensured for extended period.
- Rate contracts should be renewed in time and for this purpose Departments/Centres/Store Sections should draw up a timetable for conclusion of Rate Contracts. The Rate Contracts should be finalized at least one month before the expiry of the current rate contract so that there is no rush towards the end of the financial year and department can operate the contracts conveniently.
- Further, as far as possible bulk procurement through Rate Contract should be avoided when it is going to expire and during extension period of Rate Contract.
- It is advisable that only emergency procurement is restored to during extension period of Rate Contract.

This issues with the approval of Director.

*[Signature]*  
Financial Advisor

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*24.10.17.*