



JANASEVA SAHAKARI BANK LTD., HADAPSAR, PUNE
जनसामान्यांची असामान्य बँक, जनसेवेसाठी वचनबद्ध।

Vendor Management Policy



Title of Policy: Vendor Management Policy	Approved By: Hon. BOD meeting dated 15.10.2022	Document ID: JNSBL/BMS/POC/04/2022-23
Version: 1.0		Prepared By: Ritesh Dhumane (Jr. Engg.)
Reviewed By:	Date of Review:	Date of Preparation: 19.09.2022
Date of Approval: 15.10.2022		Print Date: 15.10.2022





JANASEVA SAHAKARI BANK LTD., HADAPSAR, PUNE

जनसामान्यांची असामान्य बँक, जनसेवेसाठी वचनबद्ध।

The Vendor Policy provides written guidelines in context to procurement of products from various Vendors.

It includes activities such as selecting Vendors, Negotiating Contracts, Controlling Costs, reducing Vendor related risks and ensuring service delivery.

After taking into consideration the requirement for products, goods & services from Branches and Departments, the following procedure will be adopted by the Bank:

1. **Vendor Empanelment** - Based on the Company Profile & credentials, Vendors for different job portfolios will be short-listed & such data will be presented in the respective Committee Meeting for sanction. After sanction is accorded, Vendors will be empanelled with the Bank as suppliers for various products/ services, for a defined period. After expiry of the empanelment period, Empanelment will be renewed after receiving applications & after sanctioning them in respective Committee Meeting.
 - a. Incase of any Purchases, Bank can invite quotes from empanelled Vendors however the Bank is not compelled to invite quotes only from Empanelled Vendors but is free to take services from any Vendor of it's choice.
2. **Comparative Chart** - Minimum 3 Quotations from different Suppliers/ Vendors should be obtained as this will encourage suppliers to give their best offers & will also help the Bank to get competitive rates for negotiation.
 - a. A Comparative chart should be prepared by the respective Department & Vendor should be shortlisted based on the Product quality, specifications, rates etc. While comparing quotes, the Bank should ensure that apple to apple comparison is able to be done.
 - b. The Bank is not obliged to select the cheapest quote. Valid & genuine reason must be stated if the preferred supplier who has not given the lowest quote has been selected. The best quote based on specifications as per requirement should be shortlisted & quality should not be compromised.





JANASEVA SAHAKARI BANK LTD., HADAPSAR, PUNE

जनसामान्यांची असामान्य बँक, जनसेवेसाठी वचनबद्ध!

3. **Selecting Vendor** — The Vendor selection process includes sourcing suitable Vendors and seeking quotes & short-listing Vendors based on their credentials. As far as possible, the work shall be entrusted to the approved contractors / suppliers based on their credit worthiness, reliability, quality of products, after- sales service, etc.
4. **Negotiating Contracts** — Negotiating Contract includes defining the product that is required, terms & conditions of the Contract, rate, delivery period, etc. While finalizing the rates, it should be the endeavor to get maximum rebate / discount on the listed price. The suppliers / vendors should arrange delivery of the items at the office premises and arrange demonstration / give guidelines for use of the item, wherever necessary.
5. **Warranty/ Guarantee/ After Sales Service-** The guarantee period, servicing arrangements etc., should be discussed and finalized by the respective Department before permitting supply / placing firm orders. After Sales—Services should be available at a reasonable cost even after guarantee period.
6. **Branded products/ suppliers-** Although it is advisable for the Bank to purchase items of reputed make or having brand name, wherever possible, it should be an endeavor to encourage local manufacturers / SSI units keeping in view the quality and workmanship.
7. **Purchase Order:** Once the Purchase of goods & services is sanctioned & Vendor has been finalized, Purchase Order should be issued to the Vendor/ Supplier indicating the type of product required, quantity, agreed price, terms & conditions of Purchase etc. Work orders should always be in writing and reasonable time limit should be fixed for completion of the work as well as for submission of final bills by suppliers / furnishers depending on the nature / quantum of work.
8. **Order Acceptance:** All Vendors must confirm acceptance of the Purchase Order (PO) or a Contract within 48 hours.

Shri





JANASEVA SAHAKARI BANK LTD., HADAPSAR, PUNE

जनसामान्यांची असामान्य बँक, जनसेवेसाठी वचनबद्ध!

9. **Order / Contract inception-** Once the Purchase Order (PO) or a Contract is accepted, the Vendor should initiate service delivery within 72 hours. If there is no action from the Vendor, nor communication with reasoning from the Vendor for the delay in initiation of the services, the Vendor will be sent a reminder notice and within 48 hours if the vendor fails to act or respond to the notice then Bank has right to cancel the PO or a contract.
10. **Verification of Bills:** The Admin Department/ Appropriate Bank Authority at Head Office / Branch, should thoroughly scrutinize bills again with reference to specifications of items purchased, rate of items, tax charged, arithmetical accuracy of bill amount, etc.
11. **Payment Terms-** All vendor payments will be made after the submission of Tax Invoices & as per Payment Terms mentioned & agreed in the Purchase Order & after verification from respective Branch/ Department confirming that Work has been completed satisfactorily & in accordance to PO issued.
12. **Advance Payment** - Any payment made to vendor / supplier in as an advance should be debited to "Advance for Expenses A/c". On completion of work and at the time of final payment, such entry should be adjusted or reversed or wiped off by Accounts Department.
 - a. Normally advance payment to contractors / Suppliers should be made on percentage basis, up to a maximum of 75 % of value of the work done and 25% should be paid only after completing the work satisfactorily and on submission of final bills within stipulated period. In special case, advance amount of value can be considered on approval from Chief Executive Officer.
 - b. The payment of such advance shall be released with approval of General Manager and Chief Executive Officer jointly.
13. **Invoice Processing-** Original Tax Invoice should be submitted by the Vendor. The Tax Invoice should be verified by the appropriate authority. A Report should be taken from the Branch / Department to whom the product has been delivered & based on their recommendation Payment to Vendor can be released.

Shri





JANASEVA SAHAKARI BANK LTD., HADAPSAR, PUNE

जनसामान्यांची असामान्य बँक, जनसेवेसाठी वचनबद्ध।

14. **Accounting** - Incase payment is released from Head Office, Payment to Vendors will be done by Accounts Dept. after Payment Release Format, confirming the correct details of the Vendor i.e. Name, nature of Work, GST details, bank details etc. is submitted to Accounts Dept. along with Original Tax Invoice & sanction details by the respective Department.
 - a. Branches too can release payment to Vendors from their end subject to seeking appropriate sanction for the same from respective Sanctioning Authority.
15. **Emergency Purchases**- Incase of Emergency Purchases that is required to be done on priority & cannot be delayed for want of 3 quotes, in such circumstances, Purchases can be done on the basis of single quote received. Valid reasoning for the same should be given by the respective Department for Emergency Purchases made. Necessary sanction from Appropriate Authority should be taken for the said Purchases.
16. **Big Purchases / Bulk Projects/ Renovations/ Repairs** — in case of Big Projects where Tenders have to be floated, procedure for Tender Approval as mentioned in Fixed Asset Policy of the Bank should be referred. Only in needbased cases and big projects of Rs. 5.00 lakh and above, the services of Architects may be utilized after obtaining prior permission from the sanctioning authority.
17. **Vendor Development**- Continuous efforts should be made by the Bank to develop alternate potential sources. The objective is to have a minimum of two sources to be developed successfully to reduce our dependence on a single source/ Vendor with connected risks, besides to get the items at competitive prices.
18. **Taxes & Duties**- Taxes and duties are payable only if it has been clearly indicated in the quotation and provided for in the contract/ Purchase Order. The nature of duties and applicable percentages there of and the items on which such duties are levied should be clearly ascertained before conclusion of orders/contracts and incorporated in the same.
19. **Amendment/ Revised Purchase Order/ Contracts** - Amendment to Purchase Orders / Contracts shall be issued by the Bank subject to mutual negotiations. Amendment to Purchase Orders / Contracts may arise due to Change in price / payment terms, Amendment to quantity, Correction of errors and omissions, Change in statutory requirements, Change in terms & conditions etc. When the amendment results in Financial implication due to "change in price", Revised Purchase Order will be issued by the Bank.





JANASEVA SAHAKARI BANK LTD., HADAPSAR, PUNE
जनसामान्यांची असामान्य बँक, जनसेवेसाठी वचनबद्ध!

20. **Buy Back Offer** - When it is decided with the approval of the Appropriate Bank authority to replace some existing old goods with their newer and better versions / substitutes, the "Buy Back Scheme" should be resorted to by the Bank, only when it not possible to procure a better price through disposal as per the norms. It should also be ensured in such cases that dealers offer the agreed discount apart from the special rates applicable.
21. **Turnkey Contract**- A turnkey contract can be issued by the Bank in case of Big Projects such as Renovations, Repairs etc. The responsibility of the contractor/ Vendor will include supplying the required goods, machinery, equipment etc. needed for installing, commissioning and erecting the same at site as needed, as specified in the tender documents issued by the Bank.
22. **Annual Maintenance Contract**- For Products/ services which is required to be serviced regularly after expiry of Warranty period, the Bank may enter into an Annual Maintenance Contract (AMC) with the Vendor after seeking appropriate sanction for the same.

The above policy is made as guidelines to be adopted by our Bank.

Policy is recommended for approval of the Board of Directors.


Shrikant Bichukale
HOD, BMS Department


Shirish Polekar
General Manager


Bharat Tilekar
AGM, Admin Dept.


Tukaram Naik
Chief Executive Officer

Hon. Chairman
Admin Sub-Committee


Hon. Chairman
Board of Directors

