

## **CHAPTER – 1**

### **INTRODUCTION**

#### **1.1 DIRECTORATE OF PURCHASE AND STORES (DPS)**

DPS was constituted vide Office Memorandum No.863/72 dated 22nd June 1972 as a separate Unit under the administrative control of Department of Atomic Energy (DAE) with effect from January 17, 1973. Prior to the formation of DPS, the purchasing and stores activities were carried out by the respective units through their separate purchase and stores wings. With the establishment of centralized unit, the activities of these wings were unified and procedure and practices streamlined.

#### **1.2 MANDATE**

DPS extends its services to DAE organizations in R&D sectors, Industrial and Mineral Sectors and Service Sectors whose expenditure are met from the Consolidated Fund of India. These services include procurement and contract management for goods and services, import export management, logistic management, materials management and disposal management. While procurement and contract management, import export management, etc. are mostly dealt with by its Purchase Unit, logistic management, stores management and disposal management are the prime responsibility of its Stores Unit.

#### **1.3 RELEVANCE OF STORES PROCEDURE**

DPS has been following the Stores Procedure, a copy of which is appended in this Manual, which covers various stores management activities and procedures defined briefly. A need was felt to evolve detailed policies on stores management, streamline and consolidate procedures and keep in pace with current Government policies rather than depending upon very limited ambit of the Stores Procedure.

#### **1.4 IMPORTANCE OF STORES MANUAL**

- 1.4.1 Stores Manual is intended to provide a standard guide and reference for stakeholders engaged in stores management activities, i.e., indenting officers, procurement personnel, Accounts/Finance authority, suppliers, transporters, contractors, etc.
- 1.4.2 Stores manual is not intended to replace or dilute General Financial Rule / other government rules and directives or Stores Procedure but to act as a supplementary document more specific in nature.
- 1.4.3 Though the manual covers all the areas of stores activities, a situation may, however crop up in stores function, for which no solution may be readily available in this manual. In

such a situation, the Stores Unit may seek advice and guidance from Director DPS through Internal Financial Advisor.

1.4.4 Every DPS unit shall use a format of stores management forms as given in the Stores Procedure. Any modification/addition in the format shall be effected with the approval of Director DPS to enable uniformity. These forms are numbered from DPS/SP/01 onwards.

1.4.5 The objectives of stores management are realised through various functions such as requirement planning for common user items, order processing, logistic, warehousing, material handling, protective packaging/preservation, safety/security and information system.

## **1.5 MATERIALS MANAGEMENT**

1.5.1 An efficient material management system in DPS Unit will ensure the following:

- Reduction of lead time
- Reduction of buying and inventory carrying cost.
- Optimum Inventory
- Prevention of overstocking/understocking
- Prompt and timely delivery to user groups
- Improved user confidence
- Reduction of obsolescence/obsolete and surpluses
- Prompt disposal of surplus, obsolete, scrap, etc.

1.5.2 Materials management in DPS aims at working for 8 R principles, i.e., to ensure:

- Right Quality
- Right Quantity
- Right Price
- Right Source
- Right Time and place
- Right Storage
- Right Contract
- Right Disposal

## **1.6 SETUP OF DPS**

1.6.1 DPS comprises of the following Units:

- Central Purchase Unit (CPU)
- Central Stores Unit (CSU)
- Central Accounts Unit (CAU)
- Central Administrative Unit (CAmU)
- Stores Liaison Cell at DPS Head Quarters
- Atomic Energy Wing (AEW), Paris
- Independent Regional Purchase & Stores Units

- Other Regional Purchase & Stores Units
- Regional Accounts Units/ Administrative Unit

#### *1.6.1.1 CPU*

CPU located at Mumbai deals with purchases for constituent Units of DAE in and around Mumbai in addition to some outstation Units not serviced by any of the Regional Purchase Units.

#### *1.6.1.2 CSU*

CSU Mumbai is responsible for receipt, distribution, accounting, custody and preservation of materials indented by various facilities of BARC and other units located in and around Mumbai.

#### *1.6.1.3 CAU*

CAU at DPS headquarters is headed by Internal Financial Advisor. Internal Financial Advisor reports to Director, DPS. CAU is responsible for all financial activities like pre-auditing of the purchase orders and disposal contracts, payment of suppliers' bills against contracts placed by Purchase Units, preparation of budget provisions pertaining to DPS, keeping proper records for the expenditure incurred on various heads of accounts, monitoring the fund utilization, according financial concurrence, receives sales proceeds, Earnest Money Deposit (EMD) and Security Deposits in connection with disposal of scrap, etc. It is also responsible for disbursements of salaries, to employees. IFA assists Director DPS on all financial matters and formulation of budget.

#### *1.6.1.4 CAdmU*

CAdmU functions from Mumbai. This unit deals with all administrative and establishment functions such as recruitment of staffs, promotions, leave, disciplinary matters including cadre management and headed by Chief Administrative Officer.

#### *1.6.1.5 Stores Liaison cell at DPS Head Quarters (HQ)*

A Liaison Cell functions under the charge of a Stores Officer/Deputy Director.

#### *1.6.1.6 AEW, Paris*

DPS has a Liaison Mission at Paris. This Unit reports directly to the Director, DPS.

#### *1.6.1.7 Independent Regional Purchase & Stores Units*

DAE vide Office Memorandum Nos.10/9/8/84-88/569, 570 and 571 dated 28/07/1994 decentralized the functions of DPS by constituting Regional Purchase and Stores Units at Chennai, Hyderabad, Indore. Regional Directors were appointed for these Units. Vide OM No. 10/3(3)/2010-SUS/8714 dated 14/07/2010 procurement functions of NRB was also decentralized. Chief Executive of NFC, Director of RRCAT, Director of IGCAR, and Chief Executive, NRB have been declared as "Ex-Officio-Director, DPS" and empowered to exercise powers of Director, DPS for purchase, stores and disposal functions of their respective units.

#### 1.6.1.8 *Other Regional Stores Unit*

Regional Purchase and Stores Units attached with respective constituent Units of DAE are:

- (a) Heavy Water Plants (HWP)
  - HWP, Kota
  - HWP, Manuguru
  - HWP, Talcher
  - HWP, Tuticorin
  - HWP, Baroda
- (b) Atomic Minerals Directorate of Exploration and Research (AMDER)
  - AMDER Bangalore
  - AMDER Nagpur
  - AMDER Tatanagar
  - AMDER Lab Store, Hyderabad
- (c) Stores Unit, VECC, Kolkata
- (d) Stores Unit, RMP, Mysore
- (e) Stores Unit, BARC Facilities, Visakhapatnam

#### 1.6.2 **Human Resources**

Human resources for core material management activities are recruited, trained and managed by DPS. In addition, security staff, auxiliary staff like drivers, technicians, work assistants, etc. to assist in material handling are provided by concerned DAE units from their administrative rolls.