

## CHAPTER-6

### ISSUE OF MATERIAL AND MANAGEMENT

#### 6.1 INTRODUCTION

Issue of material is an important activity in Stores Management. In DPS, stores are procured for various Research & Development activities, industrial production and ongoing projects. Stores may, however, be procured in bulk and stored for subsequent issues in phases. This chapter deals with procedure to be followed for issuing items.

#### 6.2 TYPES OF ISSUES

All the issues can be categorised into the following three types:-

- Internal Issue (In the same Unit)
- Inter Unit Issue (Other Units of DAE)
- External issue

##### 6.2.1 Internal Issue

All issues of stores to different user divisions within the Units are to be treated as internal issues.

##### 6.2.2 Inter Unit Issue

All issues of stores to other Unit of DAE are treated as inter unit issues.

##### 6.2.3 External Issue

All issues of Stores made to other than DAE Units are treated as External Issue. This can be on the basis of Contractual obligation (FIM), Memorandum of Understanding (MoU), bilateral agreement, permanent loan, temporary loan, etc.

#### 6.3 EXTERNAL ISSUE PROCEDURE

##### 6.3.1 Issues against contractual obligation

6.3.1.1 FIM will be issued by the Stores Unit to the contractor on receipt of written authorization from the indenting officer, following the normal issue procedure and as per the terms and conditions stipulated in the contract. The indenting officer while authorizing such issue, will take into account the progress of work and all related factors to ensure that only such quantities of Free Issue Material as are necessary for uninterrupted progress of work are released to the contractor.

6.3.1.2 The Stores Unit shall issue Free Issue Material to the contractor only after getting a written intimation in Form No. DPS/SP/31 from the contracting authority that necessary safeguard has been received and accepted.

6.3.1.3 Free Issue Material shall be issued on RCIV indicating the following additional details

- (i) The name of fabrication contractor
- (ii) Fabrication contract Number

(iii) Delivery/dispatch details (LR,RR,MD Note No., Gate Pass No., etc.)

6.3.1.4 A bold rubber stamp reading “FREE ISSUE MATERIAL” shall be affixed on RCIV relating to FIM. The total quantity of Free Issue Material given to the contractor shall not be more than the quantity mentioned in Bill of Material. The Stores Unit shall obtain from the contractor the details of their representative with their specimen signature, who are authorised to collect the material from stores. The value of FIM shall not be more than the insurance / safety coverage. The Stores Unit also shall ensure in consultation with indenting officer that the contract has sufficient validity till the execution and delivery of fabricated product before releasing FIM. The Stores Unit shall obtain a stamped acknowledgement from the contractor on the RCIV copy for FIM received. Free Issue Material, if required, shall be taken out of departmental premises on Non-Returnable Gate Pass.

6.3.1.5 Safeguard shall be followed as mentioned above when empty cylinders are to be issued for filling gas items.

### 6.3.2 **Accounting of left over material and process scrap**

6.3.2.1 On completion of fabrication work, the finished goods will be received by the Stores Unit as stipulated in the contract. The left over material and scrap arising, if any, shall normally be received by the parent Stores Unit. The finished goods and left over material / scrap shall be received from the contractor on separate *challans*. The indenting officer will render assistance to the Stores Unit in identifying and determining the serviceability or otherwise of the left over material returned by the Contractor. Serviceable items returned by fabricator shall be taken on charge on a Credit Voucher after certification by indenting officer. While filling up of the columns in the Credit Voucher, the following additional details shall be indicated:

Name and address of the contractor  
Contract Number and date  
Delivery note / *challan* Number and date

6.3.2.2 Unserviceable and scrap shall be disposed off following the disposal procedure.

A record of Free Issue Material shall be maintained by the Stores Unit contract-wise and fabrication contractor-wise in Form No.DPS/SP/32. Stores Unit shall review FIM account on weekly basis and delay in supply of finished product / leftover material by the contractor shall be intimated to contracting authority well before expiry of the instrument validity. The Stores Units attached to indenting Unit of DAE (Parent Stores) shall be responsible for maintenance of complete records of FIM. To enable this, if issues are made from Stores Units other than the Parent Stores Unit, details of such issues shall be furnished to the parent Stores Unit along with copies of relevant vouchers. Where finished goods are received by a Stores Unit other than Parent Stores, a copy of Receiving Voucher shall be endorsed to Parent Stores.

### 6.3.3 **Finalization of Free Issue Material Account**

Before final payment in respect of a contract is released to the contractor, a certificate in form number DPS/SP/33 shall be forwarded by the indenting officer to the Stores Unit.

In respect of 'works contract' where accounting of materials issued to the contractor is done as per CPWD procedure by the concerned agencies in the unit, Stores Units will make issues of materials to the contractor, on receipt of authorization following the stores issue procedure. Further accounting and securing safeguards for the material will be the responsibility of the respective contracting agencies who are required to follow procedures prescribed for the purpose.

6.3.4 **Issue of Material on Chargeable Basis**

The Contract shall specify the Bill of Material, terms and conditions, etc. under which the material to be issued on chargeable basis. Issue of material on chargeable basis to Contractors or outside organizations shall be made by the Stores Unit on RCIV against a written authorization from the competent authority. A bold rubber stamp 'PAYMENT ISSUE' shall be affixed on RCIV relating to material issued on chargeable basis.

6.3.5 **Issue against Memorandum of Understanding (MoU), bilateral agreement, permanent loan, temporary loan, etc.**

Issues against MOU bilateral agreement, permanent loan, temporary loan, etc. are to be made as per the contract, and as decided by the competent authority.