

Procurement Policy- 2012

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Part-1	3
Introduction	3
Amendment Procedure	
1. Scope and Application of the policy	3
2. General Rules	3
3. Accounting Procedures	4
4. Delegation of Authority	4
Part-2	6-13
1. Preparation of Procurement Plan	
2. Procedure for Preparation of Technical Specifications of Goods, Etc.	
3. Developing Terms of Reference for Service	
4. Method of Procurement	
5. Use of Open Tendering Method in the Procurement of Goods, Works, Etc.	
6. Use of the Direct Procurement Method	
7. The Procurement Committees	
8. Advertisement	
9. Opening of Tenders	
10. Safe Custody of Received Tenders, Etc.	
11. Evaluation of Tenders, Etc.	
12. Rejection of all Tenders, Proposals or Quotations	
13. Approval of Tender or Proposal	
14. Termination of Contracts and Settlement of Disputes	
15. Competition in Procurement	
16. Maintaining Records of Procurement	

Introduction

The policy specified here, shall be considered as "Procurement Policy" of CIPD and shall be applicable for Head Office and all its branch offices in the procurement of Goods, Works or Services or any other item. The "Procurement Policy" has been prepared for all managerial staff who shall follow the rules when procurement is made. This policy will be effective from 1st January 2012.

Amendment Procedure:

This policy shall be considered as amendment of the policy of the organization with effect from 01.07.2007. There is also provision for amendment of the policy, if it is considered necessary in future, through opinion given by management of CIPD.

1. Scope and Application of the policy:

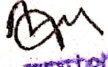
(1) This policy shall apply to the following areas namely -

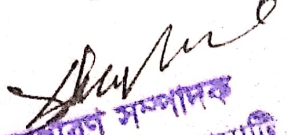
- (a) Procurement of Goods, Works or Services by CIPD using organization funds;
- (b) Procurement of Goods, Works or Services by any project implemented by CIPD;
- (c) Procurement of Goods, Works or Services under a loan, credit or grant agreement or under any other agreement with a development partner with CIPD, provided that if there is anything to the contrary in any such agreement entered into, the provision of that agreement shall prevail.

2. General Rules:

This policy for purchasing goods, supplies and services are designed to ensure that CIPD gets best price for the best products in purchasing goods, supplies and services. The following are the rules to be followed:

- i. **Purchasing time:** For the purpose of purchasing major stationery goods at the beginning of the year/at commencement of Project, open tender will be invited from bonafide suppliers and material will be procured from lowest bidder.
- ii. **Requisition:** Concerned section shall raise a requisition for procurement of an item and submit it to Finance Section for verification with budget provision.
- iii. **Approval Authority:** The Chief Executive Officer (CEO) or the Program Manager shall approve the requisition for purchase.
- iv. **Procurement Committee:** The Executive Committee of CIPD shall constitute procurement committee where one finance staff is mandatory to ensure financial procedures are maintained, depending on the volume of amount to arrange procurement following the formalities and give decision.
- v. **Receiving:** The goods supplied must be officially received and performance certified by the requisitioning section. Finance section will verify bills along with challan, and Procurement Committee will recommend for payment to the supplier.


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Procurement policy of CIPD, Page # 3

- vi. **Special Consideration:** The bid solicitation procedure may not be required in case of purchasing BRAND items while the procurement is made from Government/Semi-Government/Corporation/National/International Company or exclusive dealers and that should be properly documented.
- vii. **Work Order:** The CEO of CIPD will issue work order following final selection of quotation/tenders/bids and recommendation of procurement Committee.
- viii. **Payment:** Payment will be made upon reconceiving the final Challan & bills of supplied goods, Works and Services. Advance payment at the time of placing work order to any party should not be considered. But under special circumstances the CEO can approve 50% of the estimated value.

3. Bid Solicitation Procedure:


Sl no	Estimated Value	Solicitation Procedure
1	Under Tk. 10,000	Cash purchase through market verification
2	Purchase between Tk.10, 000 and Tk. 50, 000	Obtain at least 3 spot quotations from bonafide suppliers and observe other standard purchase procedure
3	Purchase above Tk. 50,000	Purchase through inviting sealed quotations from bonafide suppliers and observing other standard purchase procedures.
4	Purchase above Tk. 1000,000	Tender notice should be given to at least 3 local/ national dailies.

Note: Other standard purchase procedure involves:

- Opening of tender in presence of bidder(s)
- Prepare Comparative statement for price comparison
- Documents of Procurement committee decision on selection of suppliers
- Issue, work order etc.

4. Accounting Procedures

- i. An invoice must be received for all goods and services procured. Only original invoices prepared by the supplier are acceptable. Supporting documents such as
- ii. Quotations or the documentation report should be attached.
- iii. Payment certification by the procurement committee
- iv. Accounts Officer will check the correctness and appropriateness of the invoices before payment.
- v. In case of failure by the supplier to meet its obligations of supplying contractual goods and services the prompt action will be taken by Account officer to safeguard organization interest. Any security deposit provided by the supplier will be forfeited.


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Part-2


1. Preparation of Procurement Plan:

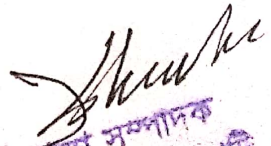
- i. Preparation of a Procurement Plan for every section/project/program shall be mandatory for the Procurement Committee;
- ii. The Procurement Plan shall include all targeted objects or issues to be procured, irrespective of value or methods, classified by category "such as Goods and related Services, Works, Physical Services and Intellectual and Professional Services".
- iii. The Procurement Plan shall identify the source of payment such as Development Projects or Programme or Revenue Budget.
- iv. At the beginning of each financial year/ at commencement of project/program of the organization shall update the total Procurement Plan and the official cost estimates to the Procurement Committee including the expected flow of funds.
- v. At the beginning of each financial year/at commencement of project, the Procurement Committee shall, for Procurement under the Revenue Budget, prepare only an annual Procurement Plan.
- vi. The updated annual Procurement Plan and the official cost estimates shall require approval of the CEO or an officer authorized by CEO.
- vii. The Procurement Committee shall, for its own purposes, update the Procurement Plan on a quarterly basis to accommodate delays, re-tendering and other unforeseen changes or constraints.

2. Procedure for Preparation of Technical Specifications of Goods, Etc.

(i) The Procurement Committee shall at the time of describing requirements in respect of a particular object of Procurement provide, inter alia, the following information, namely-

- (a) name or description of the Goods, Works or Services to be procured;
- (b) quality of Goods, Works or Services;
- (c) required performance Standards and life span;
- (d) safety Standards and limits ;
- (e) symbols, terminology to be used in packaging, marking and labelling of the Goods to be procured;
- (f) processes and methods to be used in the production of the Goods to be procured, where applicable; and
- (g) test procedure, if any, for conformity assessment of Goods .


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Procurement policy of CIPD Page # 5

- (ii) Technical Specifications shall be appropriate, be-
- (a) expressed in terms of performance or output requirements, rather than specifications linked directly to design or descriptive characteristics which may tend to limit competition;
 - (b) based on updated Standards, where such Standards exist, or otherwise recognized national Standards or Codes or generic names.
 - (c) described in clear terms on the basis of international standards, if any, or national or authorized national standards or code or generic name.
- (iii) There shall be no reference, in technical specification of Goods, to a particular trade mark or trade name, patent, design or type, named country of origin, producer or service Supplier
- (iv) Procurement Committee shall, where possible, prepare the specifications in close cooperation with the concerned user or beneficiary of the Goods or Works or Services, and follow, among others, the Standards approved or published by -
- (a) the International Organization for Standardization (ISO);
 - (b) the International Electro technical Commission (IEC); and
 - (c) Standards determined by Bangladesh Standard and Testing Institute (BSTI) or any other national or international institute.
- (v) Procuring Entities, in consultation with manufacturers, may standardize specifications for commonly used Goods, such as paper, office equipment and other consumables which are repetitively purchased, and publish them on their website.

3. Developing Terms of Reference for Service:

The Terms of Reference (TOR) in details shall be prepared to assist Applicants in the preparation of Financial Proposals.

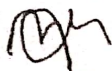
4. Method of Procurement:

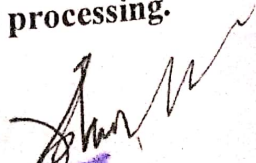
The Procurement Committee is entitled to procure goods, services and works following the below method-

- i) Direct Procurement Method (upto Tk. 10,000)
- ii) Spot Quotation Tendering Method (Up to tk. 50,000) and
- iii) Open Tender Method (OTD) (Above tk. 50,000)

5. Use of Open Tendering Method in the Procurement of Goods, Works, Etc.

- (i) The open Tendering shall be the preferred method of Procurement for Goods and related Services, Works and Physical Services, unless the threshold or special circumstances relating to a specific requirement make it more appropriate for one of the other Procurement methods to be used.
- (ii) Tenders shall be invited from all eligible Tenderers through public advertisement above tk. 1000,000. In addition, the Official Notice Boards, e-mail advertisement can be used as OTD for invitation below the said amount.
- (iii) The minimum time allowed for Tenderers to prepare and submit their Tenders for Goods, Works and Physical Services shall not be less than 15 days.
- (iv) In the case of an urgent need of Procurement the CEO may, if so recommended by the EC, reduce the time for Procurement processing.


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Procurement policy of CIPD Page # 6

6. Use of the Direct Procurement Method:

(i) The Procurement Committee may use the Direct Procurement method for Procurement for Goods and related Services, Works and physical Services from one source without going through Open Tendering or other Procurement methods but shall under no circumstances be used to avoid competition or to favour a particular Person, Supplier or Contractor to discriminate among Persons, Suppliers or Contractors.

(ii) The Procurement Committee shall strictly control the use of the Direct Procurement Method as it does not provide the benefits of competition, lacks transparency and could encourage unacceptable and fraudulent practices.

(iii) The decision to use this method shall be approved by the EC of CIPD in order to ensure that there is no abuse and its use is restricted to the circumstances specified in these Rules.

(iv) The Executive Committee may only approve the Direct Procurement Method under any of the following conditions -

(a) Procurement of Goods and related Services of proprietary nature which can be obtained only from the proprietary source, i.e. when patents, trade secrets and copyrights prohibit others from manufacturing the same item; or

(b) those sold by an exclusive dealer or manufacturer which does not have sub-dealers selling at lower prices and for which no suitable substitute can be obtained at more advantageous terms;

(v) The Procurement Committee may engage in direct contracting with local communities in projects with poverty alleviation objectives if it is provided for in the project document following the Operational Manual for the project, provided that the Project Implementation Committees shall procure the required small works, incidental materials and direct labour in a responsible and accountable manner.

7. The Procurement Committee:


CIPD will constitute a 3-member Procurement Committee for purchasing of goods, services and works. The Procurement Committee shall be chaired by the one Executive Committee Member of CIPD. Another two members will be included in the committee from the technical experts and the relevant project.

8. Advertisement:

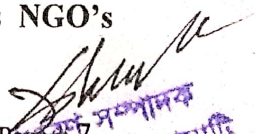
(i) The CEO on behalf of Procurement Committee shall be the authority to directly advertise all Invitations for Tender (IFT) and Request for Expressions of Interest for Goods and related Services, Works and Physical Services and, intellectual and professional Services, whichever is applicable in accordance with the guidance of EC or designed project proposal.

(ii) The CEO on behalf of The Procurement Committee shall advertise their procurement requirements which have been included into their Annual Procurement Plan in accordance with the following procedures -

(a) Invitations shall be advertised in the public places such as NGO's Office, Market, HDCs Office, CHTRC Office, etc.


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Procurement policy of CIPD, Page # 7


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(b) the CEO on behalf of Procurement Committee shall carefully apply sound judgment in choosing advertisement spots/newspapers which are commonly known and ubiquitously accepted as having wide daily circulation;

(c) if cost of the advertisement is a factor for wider publication, the CEO on behalf of Procurement Committee may consider reducing the size of the advertisement and advertise in a higher number of newspapers to ensure wider distribution and transparency;

(d) Tender or Proposal Documents should be ready for issue or sale to interested Applicants and Tenderers by the time of the appearance of the advertisement;

(e) subsequent changes or amendments to any invitation shall also be re-advertised preferably in the same spots/ newspapers and websites where it was originally published;

(f) the CEO on behalf of Procurement Committee shall send Invitations for Procurements where potential contract values are estimated to exceed the amounts specified in Schedule.

9. Opening of Tenders:

(i) The Procurement Committee shall convene the meeting for the Tender opening; and Tenders shall be opened at the time and place specified in the IFT in presence of the Tenderers or his or her authorized representatives.

(ii) The place where the Tenders shall be opened should be suitably equipped and reserved in advance for the purpose of the Tender opening.

(iii) The Procurement Committee shall ensure that -

(a) Tender Opening Sheet (TOS) is prepared containing the information relating to Tenders or Proposals announced at the opening in accordance with the IFT.

(b) Persons not associated with the Tender are not allowed to attend the opening of Tenders;

(c) the Tender opening is not delayed on the plea of absence of Tenderers or his or her representatives, as the presence of Tenderers or their authorized representatives is optional;

(d) the Tenderers' representatives shall be duly authorized by the Tenderer;

(e) the following information stated therein is read out from the Tenders after Tender opening which shall be recorded on a Tender Opening Sheet duly verified by the members of the Tender Opening Committee -

- name and address of the Tenderer;
- withdrawal, substitution or modifications, if any;
- the Tender price;
- discounts, if any; -and
- Tender security, if required and information relating to its amount; and
- (g) the checklist with steps for Tender opening shall be followed.


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Procurement Officer of CPD Page # 8
मिजिस्ट्रेट, रायगड

(iv) Tender modifications or discounts, which are not read out at the Tender opening or recorded on the TOS, shall not be considered in the evaluation of the concerned Tenders.

(v) No Tender shall be rejected at Tender opening, but late Tenders or Tenders withdrawn shall be returned directly to the Tenderers unopened.

(vi) Upon completion of the Tender opening, all members of the Procurement Committee and the Tenderers or their representatives who attended the Tender opening shall sign the TOS, copies.

(vii) Upon completion of the Tender opening all Tenders and all related documents shall be kept in the safe custody of the Procuring Entity along with a copy of the TOS duly signed by all concerned.

10. Safe Custody of Received Tenders, Etc:

The Procurement Committee shall ensure the safe custody of the received Applications, Tenders, Quotations or Proposals until they are evaluated and approved.

11. Evaluation of Tenders, Etc.

(i) The Procurement Committee shall ensure that it follows the requirements of rules with regard to the financial and administrative procedures to be followed during the evaluation and approval process and matters ancillary thereto.

(ii) Tenders shall not be evaluated on any basis other than the criteria specified in the Tender Documents.

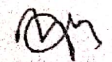
(iii) The Procurement Committee shall generally follow the procedures detailed below during examination and evaluation of Tenders -

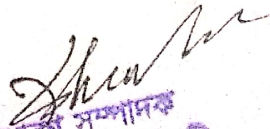
(a) the Tender Evaluation Report shall list, in ascending order, the evaluated cost of all responsive Tenders so that re-submission of evaluation report to the EC on the same aspects is not required, should the lowest evaluated Tenderer expresses his or her inability to execute the Contract or fails to sign the Contract or fails to provide its performance security or fails to post-qualify;

(b) all members of the Procurement Committee, who participate in the evaluation, shall sign the Evaluation Report, with their names and designations clearly stated therein;

(c) in case of any disagreement by any member of the Procurement Committee on the recommendations of the Evaluation Report, that member may provide a note of dissent, always provided that, the concerned member shall describe his or her reasons in detail for differing from the overall recommendation of the evaluation;

(d) the Procurement Committee shall submit the Evaluation Report along with recommendations for award and the note of dissent, if any, to the EC and, the EC shall make its decision based on the information and recommendation provided in the Evaluation Report; and


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Procurement policy of CPD Page # 9
সিআইপিডি, রাঙ্গামাটি

(c) in the case of note of dissent provided by a member, the EC with his or her own initiative may obtain expert opinion concerning any disputed matter in the Tender Evaluation Report.

(iv) The Procurement Committee may consider a Tender as responsive in the evaluation, only if it is submitted in compliance with the mandatory requirements set out in the Tender Document, without material deviation or reservation.

(v) A material deviation or reservation is one-

(a) which affects in any substantial way the scope, quality, or performance of the Works;

(b) which limits in any substantial way, inconsistent with the Tender Documents, the Procuring Entity 's rights or the Tenderer's obligations under the Contract; or

(c) whose rectification would affect unfairly the competitive position of other Tenderers presenting responsive Tenders.

(vi) The Procurement Committee may regard a Tender as responsive, even if it contains-

(a) minor or insignificant deviations, which do not meaningfully alter or depart from the technical specifications, characteristics and commercial terms and conditions or other requirements set out in the Tender Document and any such deviations shall be quantified in monetary terms, as far as possible;

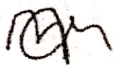
(b) errors or oversights, which if corrected, would not alter the key aspects of the Tender.

(vii) Requests for clarification shall be in writing and shall be signed by the Chairperson of the Procurement Committee.

(viii) If the Procurement Committee determines that the Tender pricing is not balanced, the Procurement Committee shall require the Tenderer to submit a detailed price breakdown, and in the case of front loading of the unit rates the TEC may recommend to increase performance security.

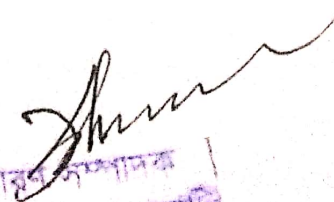
(ix) There shall be no requirement for a minimum number of responsive Tenders i.e. an evaluation shall proceed and an award shall be made even if only a single Tender is received and found responsive, provided the Tender has been widely advertised as per requirement, the Tender price is reasonable compared with the market price or is within the official estimate, and the Tender meets the technical specifications and commercial terms and conditions set-out in the Tender Document.

(x) There shall be no consideration during the Tender evaluation of any information contained in a Tender submission that was not requested in the Tender Document.



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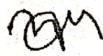
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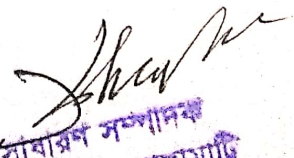


- (xi) For calculating the lowest evaluated price, the Procurement Committee shall -
- (a) consider all evaluation criteria mentioned in the Tender Document;
 - (b) ensure that the Tender prices are inclusive of applicable taxes, customs duties and VAT for national Procurement of Goods, related Services, Works and Physical Services;
 - (c) exclude applicable customs duties, taxes and VAT and include inland transportation costs in the case of CIF Tenders for imported Goods under international Procurement and exclude only VAT for Goods manufactured locally;
 - (d) quantify in monetary terms minor deviations from the evaluation criteria other than the price following the provisions set in the ITT.
- (xii) If a Tenderer offers a price significantly below the official estimate then the TEC shall investigate the real reasons behind quoting such a low price and consider the Tender non-responsive if -
- (a) it becomes very clear that this Tenderer is inexperienced and cannot price a Tender properly;
 - (b) the Tenderer cannot provide any justifiable reasons in support of his or her low price
- (xiii) If the Tenderer quotes a low price because it happens to enjoy some favourable conditions with respect to this Tender, then the Tender shall be considered as responsive and evaluated accordingly.

12. Rejection of all Tenders, Proposals or Quotations:

- (i) The Procurement Committee may reject all Tenders, Proposals or Quotations following recommendations of the Chairperson only after the approval of such recommendations by the EC of the organization.
- (ii) All Tenders, Proposals or Quotations can be rejected, if -
 - (a) the price of the lowest evaluated Tender or Quotation exceeds the official estimate, provided the estimate is realistic; or
 - (b) there is evidence of lack of effective competition; such as non-participation by a number of potential Tenderers; or
 - (c) the Tenderers are unable to propose completion of the delivery or Works within the stipulated time in its offer, though the stipulated time is reasonable and realistic; or
 - (d) all Tenders, Quotations or Proposals are non-responsive; or
 - (e) evidence of professional misconduct, affecting seriously the Procurement process, is established as per Chapter Seven; or
 - (f) negotiations with the Procurement Committee fails.


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Procurement policy of CIPD Page # 11



13. Approval of Tender or Proposal:

- (i) The Procurement Committee shall take decisions following the approved budget line of the project or EC's decision.
- (ii) The Procurement Committee will consider the recommendations of the Chairperson of CIPD during purchasing of technical goods or services.
- (iii) The Procurement Committee shall meet at least one time for preparing ToR of works, services and goods.
- (iv) The Procurement Committee has the right to choose procurement methods.

14. Termination of Contracts and Settlement of Disputes:

- (i) The Procurement Committee may breach the contract without showing any reason.
- (ii) The Procurement Committee shall refer to grounds on which, in accordance with the provisions of General Condition of Contract, a Contract is terminated, and such grounds may include, in particular -
 - (a) termination by the Procuring Entity on the grounds of default of the Supplier, Contractor or Consultant in the performance of the Contract;
 - (b) termination by the Procuring Entity in the public interest;
 - (c) termination for the convenience of the Procuring Entity.
- (iii) Any disputes or claims arising out of the implementation of the Contract shall be dealt with chronologically for settlement by amicable solutions, adjudications and arbitration in accordance with such provisions laid down in the Contract.

15. Competition in Procurement:

- (i) The Procurement Committee shall -
 - (a) provide reasonable access for visits by potential Tenderers to sites specified for work or project;
 - (b) circulate any additional information or correction of errors in the Tender Documents to all Tenderers.
- (ii) The criteria to be taken into account for assessment of Applicants, Tenderers' or a Consultants' qualifications shall be clearly mentioned in the relevant Documents and the Applicant or Tenderer shall be allowed sufficient time to respond, and such period shall be stated in the applicable Document.

16. Maintaining Records of Procurement:

- (i) The Account Officer on behalf of Procurement Committee shall maintain records and Documents regarding their public Procurement activities for a minimum period of 2 years in carrying out its Procurement monitoring, meaningful Procurement Post Reviews and, Audits to take place,
- (ii) The Procurement record shall be maintained from the beginning of procurement planning up to the full completion of contractual obligations.

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Procurement Policy of CIPD Page # 12
निवारणित, कर्मचारी

(iii) Each Procurement record shall, as a minimum, contain the following Documents and information, -

(a) a brief description of the Goods and related Services, Works and Physical Services or intellectual and professional Services procured and where applicable, the justification for using a method other than open Tendering;

(b) a copy of the published advertisement as well as a copy of the invitation for Applications, Tenders, Proposals, Quotations or other solicitations ;

(c) a copy of the original cost estimate for the Contract;

(d) the names and addresses of Tenderers or Applicants who submitted Tenders, Proposals or Quotations; the name and address of the Tenderer or Consultant to whom the Contract was awarded as well as the Contract price;

(e) minutes of Tender or Proposal opening meeting;

(f) all communications with Tenderers or Applicants;

(g) the record of approval of the Evaluation Report and the Contract Document;


(h) Documentation with respect to any appeal or complaint concerning the Procurement proceedings;

(i) delivery and acceptance reports for Goods, completion report and measurement books for Works and, completion report for Services;

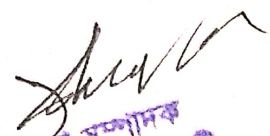
(j) copies of all Amendments made to the Contract and, those Extra Work or Variation Orders issued affecting the conditions of the Contract relating to the Contract price and the delivery or Work completion schedule; and

(k) all records of the payment including the bills, invoices for Procurement of Goods, Works and Services.

(iv) The Procurement Committee shall follow the guidance notes and check as specified in Part 1 and Part 2 of this policy in the case of maintaining records of Procurement under this Rule.


সভাপতি
সিআইপিডি, রাঙ্গামাটি

The End


সিআইপিডি, রাঙ্গামাটি
সিআইপিডি, রাঙ্গামাটি