



Procurement Policy of BUBT

Procurement procedure:

Usually all kinds of procurement shall be made through “TENDER”, but in some cases, if the competent authority thinks of any emergency purchase within a short notice, it can be procured through cash or direct procurement. But this procurement shall be approved by the procurement/purchase committee.

1. Open Tender Method:

This method shall be used for any kind of purchase with estimated value of over Tk. 20,00000 (Twenty Lac). In open tender method the procurement authority shall make invitations through advertisement in at least one Bangla language national newspaper and one English language national newspaper, both of which shall have a wide daily circulation within Bangladesh. Tender operation policy shall be fixed by the Tender Committee.

2. Restricted Tender method through enlisted/ un-enlisted supply:

This method shall be used for any kind of purchase when estimated value is over Tk. 2 lakh (Two Lac) but not exceeding Tk. 20,00000 (Twenty Lac). This type of tender may be made within the enlisted supplier/vendors/contractors. Before going through such tendering process, enlistment criterion shall be fixed up and a group of enlisted suppliers shall be selected on some defined criterion and this list must be approved by the competent authority.

3. Direct quotation method:

This Method shall be used for purchasing of any kind of goods with estimated value not exceeding Tk. 2 lakh (Two Lac). The procurement unit shall collect quotation from enlisted or un-enlisted vendors regarding particular goods to be purchased and shall make a comparative statement (CS) of quoted price in order to select the lowest bidder. In this case, quality of goods shall be ensured by the procurement unit. Deviation of the procedure may happen for ensuring quality goods. But the whole procedure shall be approved by the purchase committee.

4. Cash purchase method:

This method shall be used for purchasing things/goods with estimated value not exceeding Tk. 1,00000 (One Lac). This purchase shall be made directly from the market through cash payment against Bill/Voucher/Memo. Such method shall be followed on the basis of the departmental note or requisition. Head of the department/ office/unit shall

initiate a note along with the estimated value with the consent/recommendation of Dean/Pro-V.C/Head of concerned Office to the Treasurer for approval. After approval of the budget, the Account Office shall release the money subject to store clearance whether the requisite items are irrelevant or unavailable in the store. This procedure may be applicable for the following cases.

1. Spare parts for vehicles, generator, photocopier and other machineries.
2. Some small items on emergency purpose for which the detailed purchasing procedure are not objectively viable and economical.
3. Some items for which no credit shall be allowed by the enlisted or unlisted vendors.
4. Carriage inwards and outwards and loading-unloading charges in respect of goods purchase.

5. Delegation of Financial Power

The approval for expenses shall be accorded as delegation of financial power defined below

Authority to approval

1. Vice Chancellor
2. Treasure
3. Pro. Vice Chancellor
4. Registrar

Maximum Limit

- 2,00000/=
- 1,00000/=
- 50,000/=
- 25,000/=

The authority shall exercise their power for expenses of any goods/items subject to the store clearance.

6. Tender earnest money:

Purchase of the university goods/materials are uniform and recurring nature and this procurement shall be made from enlisted or un-enlisted parties. In open tendering process the clause of earnest money is important because it may ensure the timely delivery of goods and their quality. The condition of earnest money should be clearly mentioned in the tender schedule.

The earnest money should be in the form of pay order/bank draft/bank guarantee of any schedule bank. The amount or percentage of earnest money shall be different for particular schedule on the basis of the tender amount which may be determined by the authority. In case of the enlisted suppliers, the provision of security deposit must be made instead of earnest money.

In case the supplier fails to fulfill the contractual obligation, the earnest money or security deposit as the case may be, shall be forfeited within the instrument validity period.

Any sort of instrument obtained as earnest money or security deposit shall be kept with the accounts department of BUBT.

7. Performance Security:

Performance Security will be kept up to 10% against the work order exceeding Tk 2 lakh (Two Lac).

8. Tender document:

For open tender or restricted tendering method, tender documents shall be the basis of evaluation and selection of any offer. The tender document shall be prepared in such a way that it contains full details of goods/materials and also reflects important terms and conditions of purchase including criteria/principles of evaluation/assessment of a tender. Tender document shall be supplied by BUBT administration to the suppliers/contractors.

9. Tender opening procedure:

Tender shall be opened directly on a definite date and time. Normally tender shall be opened by a committee preferably the responsible member of the procurement/purchase /tender committee. After opening the tender, no further revision or under-cutting the price shall be entertained.

Any tender received after closing of the sealed of tender box shall be treated as late tender and it shall be returned to the bidder before opening of the tender box.

10. Tender committee:

All purchases whether open tender, restricted tender or direct quotation method shall be processed through a tender committee. The committee shall be constituted by the BUBT Authority. The tender committee shall finalize their recommendation preferably in one sitting. In any complicated cases, this provision may be relaxed but the complication must be settled within 2 (two) sittings. The 2nd meeting shall take place within a week from the date of 1st meeting.

The tender committee has an authority to recommend forfeiture of earnest money of a bidder against a particular tender or may recommend to make them black-listed if any bidder makes any complain in writing in respect of a decision on a particular tender and subsequently it is proved that it was a false complaint.

11. Purchase Committee:

The committee shall be constituted by the BUBT Authority.

12. Final approving authority:

Without final approval of the competent authority, no purchase deal shall be finalized. Recommendation of the tender committee shall be reviewed for final approval from the following authority:

Sl. No	Tender Procedure	Authority of Approval
1	Recommendation of open tender committee	BUBT Trust
2	Recommendation of Restricted tender committee	BUBT Trust
3	Recommendation of purchase committee against Direct Quotation	Vice Chancellor of BUBT
4	Recommendation for cash purchase by the Purchase Committee	Vice Chancellor of BUBT

In case where the approving authority does not agree to the recommendation of the tender committee, the approving authority may send back the file to the tender committee for review or give a decision straightway in writing about final approving authority's view. After completing the tender procedures, the matter shall be placed before the finance committee meeting for their consent.

13. Communication

After completion of all procedures, the Registrar Office shall communicate to the successful bidder in the form of a written letter at the earliest. For this purpose, all formalities such as comparative statement, technical security, tender committee meeting, purchase approval shall have to be completed in a well-coordinated and expeditious way.

14. Work order/Purchase order:

Formal work order/purchase order shall be issued by Registrar Office to the successful bidder for the delivery of supply of goods and material. Such order shall reflect all items, quantity, quoted price, conditions and specifications.

15. General conditions relating to work order:

The work order must contain sufficient information to avoid any confusion between both the parties. The following are the conditions to be followed in relation to the issue of work order:

1. Quoted Price: The price payable to the supplier against their supplies shall be clearly mentioned as per unit basis.
2. Goods Packing: Where applicable, the supplier shall provide sufficient packing of the goods as it is required to prevent goods damage or deterioration during transit to the destination.
3. Goods transportation: It is supplier's responsibility to supply the goods to the purchaser destination by using their own transport and related transportation cost shall be borne by the suppliers.
4. Warranty: Where applicable, the supplier should provide warranty for the goods which they have supplied to the purchaser. The supplier must mention the time limit up to which the warranty is provided. If nothing is mentioned during the offer but only written the warranty, in such case the buyer will take it is a full warranty i.e. replacement of any or whole parts of the machine free of cost. Any item purchased under warranty, the procurement should hand over one copy of the warranty document to the store department and one copy to the end user of the goods. In case of any trouble of the new machine/goods, the end users are advised to inform the support department whether the warranty period is in force or has expired. Based on the report, they will ask the store department to take the necessary action.
5. Delivery date should be specified in the work order and it shall be counted from the following day of the issue of the work order. In case, the last date of delivery is an holiday or transport movement disrupted by any valid reason, the following working day shall be considered as the last date of the delivery.

6. Cancellation of work order: The buyer, without prejudice to any other remedy for breach of commitment, by a written notice of default addressed to the supplier, may cancel the work order partially or fully.
 - a) If the supplier fails to deliver any or all of the goods within the stipulated time or within any extended time granted by the buyer
 - b) If the supplier fails to maintain the quality as per work order or
 - c) If the supplier indulged any corrupt or fraudulent practice in obtaining the work order
7. Provision for tax and duties: Supplier shall be entirely responsible for all tax and duties including income tax, value added tax, custom duty, stamp duty, licenses fees etc and other govt. charges levied or imposed on the contract goods to the buyer. Income Tax shall be deducted at source where applicable in accordance with NBR rules and VAT also deducted in the same way until and unless the appropriate challan is produced to the buyer along with invoice or bills.
8. Provision of arbitration: In order to settle any dispute or difference between supplier and the purchaser arising out in connection with the work order, the related parties shall endeavor to resolve the same by discussion between them within a period of 1 (one) month i.e. 30 (thirty) days, commencing from the date of one party's written notice to other party if such dispute arises. If the dispute is not resolved as per above arrangement, the same shall be referred to arbitration for settlement of the dispute. Each party shall appoint one arbitrator and the two arbitrators so appointed shall appoint an umpire. If the two arbitrators fail to give any unanimous decision, the dispute shall be referred by them to the umpire who then shall give his decision, which shall be final and binding for both the parties. Arbitration act of Bangladesh as in force shall be applicable to such arbitration proceedings.

16. Penalty for damage or delayed supply:

If the supplier fails to supply all or any of the goods in time, in good condition or fails to perform the service within the stipulated time as specified in the work order; the buyer shall, without prejudice to its other remedies under the contract, deduct from the invoice price as penalty for damage or late supply, a sum equivalent to the percentage as stated below:

Sl.No	Delayed period	% of deduction rate on quoted/Invoice value (Up to Tk-3Lac)	% of deduction rate on quoted /Invoice value (Above Tk-3 Lac)
1.	First 15 days	1.00%	0.50%
2.	Next 16 to 20days	2.00%	1%
3.	Next 21 to 25days	3.00%	2%
4.	Next 26 to 30days	4.00%	3%
5	Above 30 days the termination clause may be applicable		

17. Repeat order:

In case of urgent requirement where the procurement through tendering is not likely to yield fruitful result, repeat order may be provided

1. Supplier agreed in writing to accept a repeat order

2. The quantity of repeat order does not exceed the original order quantity
3. Terms and conditions of the repeat order shall be the same as those of the original order
4. A particular material is not procured more than once by repeat order
5. Repeated work order may be issued within 60 days

18. Enlistment of vendors/suppliers:

For convenience of procurement against restricted/limited tender procedure, enlistment of general vendors/suppliers is necessary. In the last quarter of every financial year, store department will invite application through advertisement in the newspaper for enlistment of supplier/vendors for a term of next 2 (two) financial year. Such advertisement should be published in 2 national dailies, one in English and one in Bengali.

The prescribed application form shall be sold (as an amount which shall be fixed by the procurement department) to the intending vendors/suppliers from the office of the procurement department. At the time of submitting their application for registration the suppliers shall have to enclose the following document along with the application

1. Valid trade license
2. TIN certificate
3. VAT/BIN certificate
4. Financial solvency certificate
5. Proper communication address.

Procurement/concerned department will verify the information/particulars provided by an applicant. If the information is found correct, the concerned authority will take necessary actions for enlistment.

The enlistment shall be made category wise. That means suppliers interested in business for certain group of items will be enlisted for that particular group of items only.

The enlisted suppliers/vendors will not be required to submit any earnest money while they will participate in a restricted/limited tender.

19. Cancellation of enlistment:

The registration of enlistment may be cancelled for the following reasons:

- a) If a supplier makes a written request for cancellation of enlistment on personal ground/difficulties.
- b) If supplier fails to fulfill his contractual obligation satisfactorily for the second time.
- c) If retention of a supplier/vendor's name in the list of enlistment is not considered desirable by the authority or make conflict of interest of BUBT

20. Documents preserving:

Procurement department shall keep all necessary documents carefully in the form of the register. One copy of same document shall be kept by the store department as well. All purchase or work order shall be pre-numbered and kept in file orderly.

21. Payment or settlement of Supplier Bill:

All kind of supplier's bill shall be paid or settled by the account department through banking channel i.e. by issuing an A/C payee cheque after completing all the necessary

procedures. Before making the final payment, the account department shall comply or ensure that store department has recognized the purchase through MRR and the responsible person of procurement department and technical evaluation committee (if applicable) shall confirm in writing for making payment. In case of partial payment (Advance), the provision or instruction of work order shall be followed.