

Procurement Policy
For
Center for Environmental and Geographic Information Services
(CEGIS)

October, 2005



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

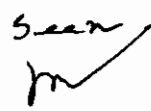
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Chapter 1: Introduction

101 Introductory Statement

The purpose of this document is to develop a concrete policy and guidelines for the procurement of equipment, supplies and services for CEGIS. Those who are involved in the procurement process should abide by this policy. Any actual or expected deviation from this policy should be reported to the *Board of Trustees*, for its decision and approval.

102 Application of the Document

The policies and procedures described in this document shall govern all employees of CEGIS who may be concerned with any purchase made by or on behalf of CEGIS. The Policy defines

- Principles;
- Procedures; and
- Administration associated with the procurement of goods and services.

The policy shall be implemented during the CEGIS period and executed on behalf of the *Board of Trustees* by the Executive Director.

103 Amendment

No policy can anticipate every circumstance or question, which may arise in the future. As CEGIS continues to grow and operate in a dynamic environment, the need may arise, and CEGIS reserves the right, to revise, supplement, or rescind any policy or portion of the procurement procedure from time to time as it deems appropriate, at its sole and absolute discretion. Any addition, deletion, and/or amendment to or from these policies are subject to the discussions in the *MCT* meeting and confirmation by the *Board of Trustees*.

104 Definitions

In these policies, unless there is anything objectionable in the subject or context,

104a “Board” “Board of Trustees” or “BoT”

means the collective body of the trustees who are members of the CEGIS Board of Trustees as members as specified in Article 7 of the *Deed of Trust* of CEGIS.

104b Corporate Governance Policy

means the approved corporate governance policy of CEGIS as adopted by the BoT on ___/___/2005 or as stands amended from time to time.

104c Financial Policy and Procedures

means the approved financial policy of CEGIS as adopted by the BoT on ___/___/2005 or as stands amended from time to time.

104d Management

means employees of CEGIS who are designated to belong to the management category in the approved organogram of the organization.



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- 104e Management Coordination Team/MCT
means **Management Coordination Team (MCT)** as described in Article 9(3) of the *Deed of Trust* and also elaborated in Section 307 of the '**Corporate Governance Policy**' of CEGIS.
- 104f Division Head
means employees of CEGIS who are designated as Division Head in the approved organogram of CEGIS.
- 104g Procurement Policy
means this policy document.
- 104h Convener means
Convener of the purchase committee as defined under Section 302 of this document.
- 104i Trust
means the CEGIS Trust as formed under the Deed of Trust dated 16th May 2002 (Vide no. IV-7-7082).
- 104j Deed of Trust means the Trust deed authorized by the Secretary, Ministry of Water Resources (MoWR) on behalf of the Government of the People's Republic of Bangladesh and registered on the 16th day of May, 2002 (Vide No.IV-7-7082) to form and run the Trust called CEGIS.



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Chapter 2: Principles and Considerations

201 Basic underpinning

Underpinning CEGIS' procurement policies is the provision that contracts should normally be awarded on the basis of open competitive sealed quotation/tenders. Only in special cases contracts may be awarded on the basis of selective or single tender or quotation. In the matter of procurement there should not be any discrimination between foreign and local products, suppliers or contractors and the procedures should be transparent and fairly applied.

CEGIS should, so far as possible, aggregate the total value of supplies over a twelve-month period. The total estimated value of purchases in the twelve-month period should be used to determine which method of procurement is preferable.

202 Eligibility

CEGIS permits firms and individuals from all countries to offer goods, works and services regardless of the firm's country of origin. However, local firms will be especially encouraged to participate on equal terms. Any conditions for participation shall be limited to those that are essential to ensure the firm's capability to fulfil the contract in question. No firm shall be excluded from open competition for a contract for reasons unrelated to its capability to perform the contract in question unless, as a matter of law or official regulation, commercial relations with the firm's country is prohibited.

203 Fraud and corruption

It is the CEGIS' policy to require that vendors, tenderers, suppliers, contractors, concessionaires and consultants of CEGIS or any of its projects, observe the highest standard of ethics in the matter of procurement and execution of such contracts. In pursuance of this policy, CEGIS defines, for the purposes of this provision, the terms set forth below:

203a Corrupt practice

means the offering, giving, receiving, or soliciting of anything of value to influence the action of a CEGIS official, or the threatening of injury to person, property or reputation, in connection with the procurement process or in contract execution in order to obtain or retain business or other improper advantage in the conduct of business.

203b Fraudulent practice

means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of CEGIS, and includes collusive practices among vendors or tenderers (prior to or after quotation/ tender submission) designed to establish quoted/ tender prices at artificial and non-competitive levels and to deprive CEGIS of the benefits of free and open competition.

CEGIS will, in respect of the procurement of goods, works and services governed by the procurement rules;

- a) reject a proposal for award if it determines that the supplier, contractor, concessionaire or consultant recommended for award has engaged in corrupt or fraudulent practices in competing for the contract in question;



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- b) declare a firm ineligible, either indefinitely or for a stated period of time, to be awarded a CEGIS contract if, at any time, it determines that the firm has engaged in corrupt or fraudulent practices in competing for, or in executing, a CEGIS contract.



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Chapter 3: Procurement Administration

301 Procurement Committee

There will be a central Procurement Committee to oversee and execute procurement contracts and to ensure transparency in quoting/ tendering, awarding contract, and post-award notification concerned with procurement by or on behalf of CEGIS.

The Procurement Committee shall be primarily responsible for interpreting these policies and establishing appropriate guidelines to complete the procurement process in a transparent manner. The Procurement Committee shall be responsible for the procurement process of all products and services required for the operation of CEGIS and its projects.

All procurement shall be made in accordance with the approved budget or/and approval from the Executive Director.

302 Construction of the Procurement Committee

The Procurement Committee shall be the focal point of the entire tender/ quotation and acquisition process within CEGIS.

The Procurement Committee shall consist of three members. The Executive Director shall nominate three professionals among the existing divisions and the concerned Project Leader will be present in the committee as an observer.

The above members will designate one from amongst themselves as Convener of the Procurement Committee, hereinafter referred to as the Convener. At least two members of the committee must be present to hold a Procurement Committee meeting.

The tenure of the Procurement Committee shall be one-year. The Executive Director reserves the right to amend the tenure of the committee. The Executive Director of CEGIS shall review the functions of the committee before the expiry of tenure and if he or she considers it necessary, a new member can be incorporated or an existing member can be replaced.

The committee shall be formed for one year, after which time the Executive Director may reconstitute the committee for the best interest of CEGIS. The committee can co-opt one or more members from time to time to procure specialized items.

303 Functions of the Procurement Committee

The Procurement Committee shall meet regularly at least once a month based on the request for procurement but can meet more frequently if such need arises. The major functions of the Procurement Committee shall be:

1. Assessment of the procurement request for goods and services against the approved budget should be provided by the project leader (PL);
2. Preparation of tender/ quotation documents based on product specifications as specified by the PL/System Management, as well as quantity, terms and conditions, and evaluation standards;
3. Invite sealed quotations from the enlisted vendors through invitation letters with detailed information on product and service requirement;
4. Evaluate all quotations and prepare comparative statements based on the technical and financial aspects with respect to pre-determined evaluation standards;



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5. Check and verify the specifications, and quality of the supplied product and service against the work order;
6. Ensure compliance with CEGIS' policies and guidelines.

304 Conflict of Interest

Each staff of CEGIS having the responsibility of placing orders for procurement, or paying or supervising any supplier, consultant, or sub-contractor shall be required to understand the following Code of Conduct and sign it as per Section 208 of the '**Financial policy and Procedure**' of CEGIS.

"No employee, officer, or agent shall participate in the selection, award, or administration of a contract or grant if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of her or his immediate family, her or his partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the organization selected for an award. The employees, officers, and agents of CEGIS shall neither solicit nor accept gratitude, favours, or anything of monetary value from contractors or vendors".

This signed Code of Conduct shall be completed annually and filed in each employee's personnel record.

Any question of "conflict of interest" or "potential conflict of interest" should be resolved in accordance with Section 211 of the "**Corporate Governance Policy**."



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Chapter 4: Procurement Guidelines

The following rules and guidelines must be observed by the Procurement Committee and any individual or committee to whom the authorities of the committee are delegated. These rules shall apply to goods and equipment, purchased in whole or in part by CEGIS or on its behalf. The rules apply to all forms of acquisition of goods including, purchase, hire-purchase, rental and leasing. The procurement process shall be initiated by the procuring entity. Initial approval for procuring goods and equipment must be approved by the Executive Director. The Administrative Officer shall do the processing work after getting initial approval from the Executive Director and place it to the Procurement Committee for evaluation and recommendation. Inspection may be done by the Procurement Committee and the relevant procuring entity.

401 Competitive tender/ quotation requirement for Goods and Equipment

There will be four slabs for procurement based on the estimated value of purchase. The procurement procedures for each estimated value slabs will be as follows:

Slab	Estimated Value	Recommended Procedures
Slab-1	Up to 15,000	Direct Purchase
Slab-2	15,001- 100,000	Spot quotation
Slab-3	100,001 -10,00,000	Sealed Quotation/ Open Tendering
Slab-4	Over 10,00,000	Sealed Quotation/ Open Tendering and approved by the BoT

No procurement requirement shall be divided with the intent of reducing the value of the resulting contract(s) below these thresholds with the purpose of circumventing these rules. For goods, works and service contracts below these threshold values, the Procurement Committee is encouraged to follow appropriate procedures that are consistent with the principles concerning competition, transparency, economy and efficiency. In case of joint venture projects the procurement committee may follow the contract agreements among the parties.

402 Exceptions to Sealed Quotations/ Open Tendering

Purchases up to Tk. 100,000 (taka One lakh) do not require sealed quotations/ open tendering as described in the preceding table. The process for direct purchase and spot quotation are described in this section. The related procedure for sealed quotations/ open tendering is presented in the later parts of this document.

402a Direct purchase

Direct purchase would be dealt by the administration in consultation with the Project Leader (PL) or person designated by the PL.

402b Spot quotation

Spot quotation is a simplified form of competitive purchasing that only requires physical market verification by an authorized buying agent of CEGIS, preferably an employee of CEGIS, to determine the best value. Under this procedure, based on the agent's observation or recommendation, the purchase committee may recommend to issue work order.

The Procurement Committee may recommend a contract value less than Tk. 100,000 for



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- a) readily available off-the-shelf items; and
- b) standard specification goods.

403 Waivers of Quotation/ Tender Requirement

In the following cases the tender/ quotation requirements as specified in clause 401 may be waived and procurements may be made from a single source.

1. There are no other substitute products and/or services which have sufficient number of vendors to avoid single source procurement; and
2. The extension of an existing contract awarded in accordance with procedures acceptable to CEGIS for additional goods, works or services of a similar nature would clearly be economical and efficient and no advantage would be obtained by further competition, extension and may not exceed 90 days;
3. There has been an unsatisfactory response to sealed quotations/ open tenders carried out in accordance with CEGIS' procurement rules;
4. A product can only be provided by a single supplier because of exclusive capabilities or rights;
5. Standardisation with existing equipment is determined to be important and justified, the number of new items are generally less than the existing number and compatible goods cannot be provided by other suppliers; or
6. The emergency factors (not urgent) require a shift from sealed quotations/ open tendering policy in order to achieve certain critical objectives in a limited amount of time (to be supported by legitimate justification in the form of a file note);
7. In any other situation which may be fully documented to justify a lack of competitive bidding;
8. All types of software, satellite images and data

In these cases, the Procurement Committee may, with the Executive Director's approval, invite a single firm to present its tender/ quotation without prior public notification.

404 Short list of Vendors/ Distributors

For sealed quotations/ open tendering, CEGIS will procure equipment; supplies and services from the enlisted vendors only. The vendor short list is required to avoid participation of vendors in the spot quotation process whose credentials are not established to CEGIS.

The vendors to be short-listed with CEGIS shall be for the following categories.

1. Office supplies and stationeries
2. Office maintenance
3. Office equipment
4. Vehicle maintenance and rental service
5. Computer accessories, peripherals and consumables
6. Cleaning and security services



Other special products and services which may not fall within the above categories such as equipment rental, seminar venue, travel agent, printing press, etc. shall not require any short list.

Steps should be taken to ensure short listing of only reputed vendors. The Procurement Committee should set forth minimum eligibility criterion for the short list. In order to build up a list of reliable and dependable vendors/suppliers/service providers, the Procurement Committee shall arrange for a short list in the following manner:

- i) Circulate invitation for Expression of Interest (EOI) for a short list with CEGIS as vendor/supplier/service provider. The invitation may be published in the newspaper and/or circulated through the notice board or any other media to ensure wide publicity among the genuine vendors.
- ii) Upon receipt of application from interested parties, a formal evaluation must be done keeping in view the following criteria:
 - a) Tax Identification Number (TIN) and VAT registration
 - b) Valid Trade License
 - c) Demonstration of experience of the firm in the relevant field
 - d) Bank Solvency certificate (up to date)
 - e) Client list
 - f) Work completion certificate

The members of the Procurement Committee may undertake a visit to the short listed vendors in order to make an on-site assessment of the capacity and genuineness of the firm before finalizing the list.

The short list should be reviewed yearly.

405 Procurement planning

Sound planning of procurement is crucial. CEGIS and all its projects should determine what goods, works and services are required to carry out the operation of CEGIS and its projects, when they must be delivered, what standards are needed, and which procurement and contracting procedure is most suitable for each contract. In this regard a yearly procurement plan should be prepared and adhered to as strictly as possible.

The project leaders or persons concerned shall prepare an annual procurement plan at the beginning of the fiscal year or commencement of a new project for timely procurement of goods and equipment and the Executive Director shall approve the same.

406 Notification

After the procurement plan has been prepared and approved by the *Executive Director*, the Procurement Committee should issue a notice well ahead of time to advise the vendors about the nature and timing of the procurement. This notice should include:

1. the goods, works and services to be procured;
2. the expected timing; and
3. name and address to contact to express interest and obtain additional information.



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This notice shall be made available to interested vendors for a fee or free of cost. The purpose of such notice is to allow the interested vendors enough time to prepare and participate in a tender as and when such quotation/ tender is invited. This is expected to ensure maximum participation in the quotations/ tenders and ensure economy from CEGIS' part.

407 Procurement process

The normal process for procurement involves the following steps:

1. notification of opportunities for quotation/ tendering;
2. pre-qualification;
3. invitation to tender/ quotation and issuance of tender/ quotation documents;
4. receipt of tender/quotation, evaluation of tender/ quotations and contract award; and
5. contract administration.

The extent of the process and specific procedures to be followed for each step shall depend on the method of quotation/ tendering used.



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Chapter 5: Sealed Quotations/Tendering Procedures

501 Sealed Quotation/ Open tendering, including Pre-qualification

Prospective vendors shall be pre-qualified at the beginning of the year based on the short listed criteria specified in Section 404. Notification of sealed quotations/ open tendering will be sent to the prospective vendors.

501a Sealed Quotations/ Open Tendering

Sealed Quotations/ Open Tendering procedures are those under which all short listed vendors, suppliers or contractors are given adequate notification of contract requirements and all such tenderers are given an equal opportunity to submit a tender/ quotation. The purchase committee must give advance notification of sealed quotation/ open tendering opportunities for short listed vendors/ tenderers to determine their interest and to prepare and submit their tenders/ quotations.

502 Sealed Quotation/ Open Tender Documentation

Tender/ Quotation documents are the basis for informing potential vendors/ tenderers of the requirements to supply specific goods and services or to construct works; therefore tender/ quotation documents should furnish all information necessary to permit vendors/ tenderers to submit responsive tender/ quotations.

Tender/ Quotation documents shall be prepared so as to permit and encourage competition. They shall clearly define the scope of work, goods or services to be supplied, the rights and obligations of the purchaser and of suppliers and contractors, and the conditions to be met in order for a tender/ quotation to be declared responsive; and they shall set out fair and non-discriminatory criteria for selecting the winning tender/ quotation.

The detail and complexity shall vary according to the size and nature of the contract but generally they should include an invitation to tender/ quotation, instructions to vendors/ tenderers, the form of tender/ quotation, tender/ quotation security requirements, the conditions of contract, advance payment guarantees, performance security requirements, technical specifications and drawings, a schedule or requirements for the goods, works or services, evaluation criteria, and the form of contract.

503 Evaluation criteria

Tender/ Quotation documents shall specify the relevant factors in addition to the price to be considered in tender/ quotation evaluation and the manner in which they shall be applied for the purpose of determining the lowest evaluated tender/ quotation. Factors which may be taken into consideration include, the costs of inland transport to the delivery site, the payment schedule, the time of completion of construction or delivery, the operating costs, the efficiency and compatibility of the equipment, the availability of service and spare parts, and minor deviations, if any.

The factors other than price to be used for determining the lowest evaluated tender/ quotation should be expressed in monetary terms or, where that is not practicable, given a relative weight in the evaluation provisions of the tender/ quotation documents.



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504 Standards and Specifications

The tender/ quotation should use international standards and specifications wherever these are available and appropriate. If particular national or other standards are used, the tender/ quotation documents shall state that other standards that ensure equivalent or higher quality or performance than the specified standard would also be accepted. The tender/ quotation documents shall state that products of equal or higher quality would be acceptable.

505 Quotation/ Tender Prices

Tender/ Quotation prices for the supply of goods shall be requested on the basis of CIF for foreign goods and ex-factory for local goods. Evaluation of tender/ quotations for supply of goods should exclude import duties and taxes payable on imported goods and on directly imported components to be incorporated in locally supplied goods, but should include all costs associated with the supply, delivery, handling and insurance of the goods to the final destination. Quoted/ Tender prices for works and service contracts may be requested inclusive of all duties, taxes and other levies. The evaluation and comparison of tender/ quotations shall be on this basis and the selected contractor would be responsible for all duties, taxes and levies in the performance of the contract.

506 Currency

A vendor/ tenderer may express the quoted/ tender price in any one currency or a combination of more than one currency. However vendors/ tenderers may be required to state the local cost portion of a tender/ quotation in the local currency. For the purpose of tender/ quotation evaluation and comparison, quoted/ tender prices shall be converted to a single currency, preferably in taka when payment has to be made in BD Taka or in US Dollar/any foreign currency when payment is to be made in foreign currency, using the selling (exchange) rates for the currencies of the quoted/ tender price established by the central bank for similar transactions on a date selected in advance and specified in the tender/ quotation documents, provided that such date should not be earlier than 30 days prior to the date specified for the opening of tender/ quotations nor later than the original date prescribed in the tender/ quotation documents for the expiry of the period of tender/ quotation validity. Payment under the contract will be made in the currency or currencies in which the quoted/ tender price is stated in the tender/ quotation of the successful vendor/ tenderer.

507 Payment

Payment terms and procedures shall be in accordance with the international commercial practices applicable to the goods, works or services and the market in question. Contracts for the supply of goods shall provide for full payment on delivery and inspection, if so required, of the contracted goods, except for contracts involving installation and commissioning, in which case a portion of the payment may be retained until the supplier or contractor has complied with all its obligations.

508 Time Limits

Prescribed time limits for the preparation and submission of tenders/ quotations shall be adequate for all vendors/ tenderers to prepare and submit tenders/ quotations. Generally, not less than 7 days from the publication of the invitation to tender/ quotation or the availability of tender/ quotation documents, whichever is later, should be allowed for the preparation and submission of tenders/ quotations. For large or complex works or items of equipment, this period should be extended to 30 days. Tender/ quotation validity periods and delivery dates



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shall be consistent with the reasonable requirements but shall not be used to discriminate against any potential vendor/ tenderer. In exceptional cases it may be necessary to request vendors/ tenderers to extend the validity of their tenders. In such cases vendors/ tenderers should not be allowed or required to change their tenders/ quotations and should be free not to give such extension.

509 Conditions of Contract

The form of contract to be used should be appropriate to the objectives and circumstances of the Trust. Contract conditions shall be formulated so as to fairly allocate the risks associated with the contract, with the primary aim of achieving the most economical price and efficient performance of the contract. The contract shall clearly define the scope of goods, works or services to be supplied or performed, the rights and obligations of the Trust and of suppliers and contractors and should include, appropriate provisions for guarantees of performance and warranties, liability and insurance, acceptance, payment terms and procedures, price adjustment, handling of changes and claims, force majeure, penalty, termination, settlement of disputes and governing law. Wherever appropriate, standard forms of contract incorporating generally accepted international conditions should be used.

Nothing in the tender/ quotation documents shall be designed to restrict competition or offer an unfair advantage to a vendor/ tenderer. CEGIS shall not provide to any potential supplier or contractor information regarding a specific procurement, which would have the effect of reducing or precluding competition. All amendments to tender/ quotation documents must be sent to each recipient of the original tender/ quotation documents.

510 Eligibility to Submit Tenders/ Quotations

A vendor/ tenderer may submit or participate in any capacity whatsoever in only one / quotation for each contract. Submission or participation by a vendor/ tenderer in more than one tender/ quotation for a contract will result in the rejection of all tenders/quotations for that contract in which the party is involved. However, this does not limit the inclusion of the same subcontractor in more than one tender/ quotation.

No affiliate of CEGIS, or of a procurement agent engaged by CEGIS, shall be eligible to a tender/ quotation or participate in a tender/ quotation in any capacity whatsoever.

Where a firm, its affiliates or parent company, in addition to consulting, also has the capability to manufacture or supply goods or to construct works, that firm, its affiliates or parent company cannot be a supplier of goods or works on a project for which it provides consulting services, unless it can be proved that there is not a significant degree of common ownership, influence or control. The only exceptions would be turnkey, single responsibility, or similar undertakings where design, supply and construction activities are an integral part of the contract or where certain proprietary and critical items of equipment and materials are an essential part of the process design.

511 Tender/ Quotation Opening

Quotations/ tenders invited shall be received and opened under procedures and conditions guaranteeing the regularity of the opening as well as the availability of information from the opening. The time specified for tender/ quotation opening should be the same as for the latest delivery of tender/ quotations or promptly thereafter. On the date and at the time and place described in the tender/ quotation documents, CEGIS shall open all tender/ quotations received before the latest time stipulated for the delivery of tenders/ quotations. Tenders/



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quotations should be opened in the presence of vendors/ tenderers or their representatives who wish to attend. The name of the vendor/ tenderer and the total amount of each tender/ quotation, including alternative tender/ quotations if permitted, shall be read aloud and recorded when opened. Tenders/ quotations received after the stipulated deadline for the submission of tenders/ quotations shall be returned unopened to the vendor/ tenderer.

512 Tender/ Quotation Evaluation and Contract Award

When competitive procedures are used, the purchase committee must evaluate all tender/ quotations and compare them only on the basis of the evaluation criteria set out in the tender/ quotation documents. The tender/ quotation evaluation process up to the award of the contract should be confidential. Contracts should be awarded within the period of tender/ quotation validity to the vendor/ tenderer whose tender/ quotation has been determined as being substantially responsive and, in terms of the specific evaluation criteria set forth in the tender/ quotation documentation, is determined as the lowest evaluated and who has been determined to be fully capable of undertaking the contract. Vendors/ tenderers should not be allowed or asked to change their tender/ quotation nor required to accept new conditions during evaluation or as a condition of award.

The terms and conditions of the contract shall not, without the Executive Director's concurrence, materially differ from those on which tenders/ quotations were invited. CEGIS should only reject all tenders/ quotations if there is evidence of collusion or if there has been unsatisfactory competition, including receiving tender/ quotation prices that substantially exceed the cost estimates or funds available. Before rejecting all tenders/ quotations, the Procurement Committee must obtain concurrence of the Executive Director.

For contracts the purchase committee may forward the relevant documents to the Executive Director who shall approve and send the same to the administration department for preparing the contract and proceed to award the contract. However, for higher value contracts up to Tk.1,000,000 the purchase committee shall send to the Executive Director a report containing the results of the tender/ quotation evaluation and its recommendation for the award of the contract. The Executive Director shall review the findings and recommendations as the final step in establishing the eligibility of the contract and advise the administration department accordingly.

513 Contract Administration

The Procurement Committee shall administer contracts with due diligence and shall monitor and report to the Executive Director on the performance of contracts. The Trust shall seek concurrence of the *Executive Committee* before agreeing to any material modification to the terms and conditions of a contract including, but not limited to:

1. granting a material extension of the stipulated time for performance of a contract; or
2. issuing a change order or orders which in aggregate would increase the cost of a contract by more than 15 percent of the original price.



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Chapter 6: Procurement of Services

CEGIS may employ consulting firm(s) to provide a wide range of expert advice and services in connection with their operations and management responsibilities. The main concern when choosing firm(s) should be the quality of the services that are provided.

The procedures for selecting firm(s) and contracting their services should be flexible and transparent to ensure that assignments can be efficiently executed with high standards of performance, while providing the necessary accountability. The procedures described below shall be followed for service contracts to be awarded by CEGIS.

601 Service Procurement Procedures

The selection process for service provider will normally involve the following steps:

- a) defining the scope, objectives and estimated budget of the proposed assignment and determining the selection procedure to be followed;
- b) identifying consulting firms that are qualified to deliver the required services and preparing a short list of qualified firm(s);
- c) inviting proposals from the short-listed firm(s);
- d) evaluating and comparing capabilities and proposals and selecting the preferred firms;
- e) negotiating a contract with the selected firm; and
- f) contract administration.

Some of these steps may be simplified or omitted, depending on the value of the contract for services to be performed:

- a) Sole source options applicable for specialised service provider (survey, data collection, etc.) and service procurement must get prior approval from the Executive Director with justification.
- b) For contracts estimated to cost less than Tk. 200,000 a qualified firm(s) may be selected directly, without the requirement to prepare a short list, and a contract negotiated with the selected firm(s).
- c) For contracts estimated to cost more than Tk. 200,000 but less than Tk. 500,000 with firm(s), selection should be made on the basis of an evaluation of short-listed, qualified and the rationale for the choice should be recorded.
- d) For contracts with firms that are estimated to cost Tk. 500,000 or more, a short list of qualified firms should be prepared. The selection should be based on an evaluation of the short-listed firms' proven experience and current expertise related to the assignment, without a requirement that the firms submit specific proposals for carrying out the assignment.

602 Short Lists

Short lists of firm(s) should normally include no less than three and no more than six qualified and experienced firm(s).

No affiliate of CEGIS shall be included on a short list unless it can be demonstrated that there is not a significant degree of common ownership, influence or control amongst CEGIS and



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that the affiliate would not be placed in a position where its judgment in the execution of the assignment may be biased.

For large assignments with firms estimated to cost Tk.500,000 or more, complex or specialized assignments, or operations involving a significant number of similar assignments, a formal notice soliciting expressions of interest from qualified firms shall be published.

The short list shall be prepared on the basis of the responses to the invitation.

Requests for proposals, including all published procurement notices, shall be prepared by CEGIS in English. Where applicable, a Bangla version of the notice should also be prepared.

603 Evaluation and Selection Firms

A technical evaluation committee for the specific type of work would be formed by the Executive Director taking in specialists from the field concerned. When formal proposals are made from a short list of firms, the invitation for proposals should clearly state the criteria for evaluating them. The evaluation of firm(s) should normally be based only on technical considerations including, but not limited to, experience in similar assignments, local experience and presence, qualifications of key personnel proposed for the assignment, and suitability and quality of the work plan.

For some assignments of a straightforward technical nature, the price of the services can be a secondary consideration but quality should remain the principal factor in the selection. When formal proposals have been made, the firm(s) that submits the highest rated proposal should be invited to negotiate a contract with the Trust.

Competition through a short list is preferred; however, in some circumstances it may be necessary or advantageous to engage or continue with a specific firm, where:

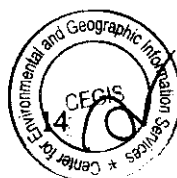
- a) the firm has unique expertise or experience; or
- b) the firm has been or is involved in the early phases of the project, such as, feasibility or design and it has been determined that continuity is necessary and no advantage would be gained from following competitive procedures.

604 Contract Negotiations

During contract negotiations the selected firm's proposal may be modified by mutual agreement between CEGIS and the firm. CEGIS should indicate any changes that may be desirable in the scope of services and in the staffing proposed by the firm(s), and appropriate adjustments in the price of services should then be agreed. The draft final contract should be presented to the Executive Director for review before signing.

605 Contract Administration

The PL of the project concerned shall be responsible for managing and administering the firm(s) work to ensure high performance standards, authorising payments, making contract changes as may be needed, resolving claims and disputes, ensuring timely and satisfactory completion of the assignment and evaluating the performance of the firm(s).



Chapter 7: Procurement Procedure

701 Procurement Request

Before actual procurement, there should be a procurement request from the respective project leader or procuring entity. All procurement requests should be placed as early as possible to ensure proper observance of all procurement rules and to ensure timely procurement. The PL or the procuring entity shall ensure that their requested items are already included in the yearly procurement plan and they should also adhere to the procurement schedule as specified in such plan.

701a Procurement Request Format (PRF)

A formal written request should be made by PL or procuring entity, to the **administration** in order to initiate the procurement process. The request shall be made in a prescribed format called the PRF. The format will be available with the administration section. This, however, will not be necessary if the total value of procurement is Tk. 15,000 or less.

Requests for procurement of the total value in excess of Tk. 15,000 shall be initiated by a file note in addition to PRF (annex-1) from the PL concerned or procuring entity.

702 PRF Review

The administration shall be responsible for an initial review of the request for assurance that proper information is included and necessary approval has been obtained. The request should be promptly returned to the PL or procuring entity of origin if detailed information or proper approval is lacking. If it is for office supplies, the administration can supply them from the store and if this is not for a store item, it can be procured from the short listed vendors. If the request is for information technology equipment, it must be verified with the existing stock but if the requirement cannot be met from the existing stock, it can be procured from the short listed vendor with prior approval from the Executive Director.

703 Urgent Procurement

A PRF, which is presented as “urgent”, implies that special action should be taken to expedite acquisition of equipment, supplies and services. In situations where the emergency is legitimate, the time frame for the procurement should be clearly stated on the PRF. Any exception to standard procedure taken by the Procurement Committee should be fully documented and approved. Needless to say, every effort should be made to avoid rush transactions.

704 Responsible Office for Procurement

Procurement, maintenance and repair of computer hardware, software, accessories and peripherals, audio video equipment, multimedia projector, PABX system, photocopier and other electronic equipment shall be done by systems management.

Procurement of office supplies, project supplies, special project items, furniture and fixture, office maintenance and services shall be done by the administration and specific projects.



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705 Placing Work Orders

After the purchase committee has arrived at a decision following the applicable guideline about the vendor to award the job, they will send it to the Executive Director who shall then arrange for issuance of work orders through the administration.



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Chapter 8: Completion of procurement and Miscellaneous

801 Receipt of Goods and Services

Computer hardware, software, accessories and peripherals, materials for repair and software maintenance, audio video equipment, multimedia projector, PABX system, photocopier and other electronic equipment shall be received by the systems management.

Office supplies, project supplies, special project items, furniture and fixture, office maintenance and services shall be received by the administration along with specific projects.

802 Inspection and Verification against Work Order

The delivered goods and services must be checked and verified by the respective Procurement Committee in consultation with the PL or procuring entity against the specifications, quantity and quality mentioned in the work order

If any deviation from the work order is found it shall be reported immediately to the Executive Director for taking necessary action.

803 Payment of Invoice

Payment shall be made in accordance with the rules set forth in Section 507 of this document after satisfactory inspections or, as the case may be, verification of the goods supplied or services rendered by the vendor.

804 Inventory Policy and its Computerizations

The goods and equipment purchased must be entered into the computerized inventory management system before processing payment. Each item must be assigned an inventory number before being put to use.

805 Updating

The inventory system must be updated when a procurement, write off or relocation is made. Before relocating any equipment or other assets the respective divisions must inform the administrative section to take necessary action with respect to the updating of records.

A fixed assets register should be kept in accordance to Section 304d of the '**Financial policy and Procedure**' of CEGIS.

806 Checking and Verifying

Items entered into the inventory system must be physically verified against records at least once a year as per Section 306e of the '**Financial policy and Procedure**' of CEGIS. Any discrepancy found during such verification process must be reported to the **MCT** who shall then take remedial measures.

807 Consumables register

A consumables register should be maintained in the administration section for recording the procurement of consumable (or expendable) items (i.e., stationeries, printing items, etc.) and for their issue to project personnel as per Section 304e of the '**Financial policy and Procedure**' of CEGIS.



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808 Disposal Policy for Old Used Items

Disposal of assets will be governed by Section 306d of the '*Financial policy and Procedure*' of CEGIS. Respective divisions and sections shall report to the Obsolete Item Committee in this regard. The obsolete item committee shall then verify the items proposed in the report for disposal and prepare a report for the Executive Director, detailing its recommendations. The Executive Director shall take decision with respect to such disposal. The Obsolete Item Committee shall then take necessary steps for the orderly disposal of such items.



NR 10

Procurement Request Format

Date: _____

Name of Requester: _____

Designation: _____

Project Name: _____ Code : _____

Expected Date of Delivery: _____

Request to procure the following items:

Sl. No	Budget code	Detailed specifications of items	Quantity required

Signature of Project Leader

Date: _____

Approved by Executive Director

Date: _____



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