

Policies and Procedures

MANUAL

**Procurement & Inventory Management
of PIFRA Assets**

December, 2012

**Project to Improve Financial Reporting and Auditing
(PIFRA), Islamabad.**

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ACRONYMS

1. AO: Accounts Officer.
2. B & A: Budget & Accounts.
3. BoQ: Bills of Quantities.
4. CE: Chief Engineer.
5. DAGP: Department of Auditor General of Pakistan.
6. DCA: Development Credit Agreement.
7. DG: Director General.
8. EOI: Expression of Interest.
9. GoP: Government of Pakistan.
10. H/Q: Headquarters.
11. IBRD: International Bank for Reconstruction & Development.
12. ICB: International Competitive Bidding.
13. IDA: International Development Association.
14. IFB: Invitation for Bids.
15. IFQ: Invitation for Quotations.
16. IT: Information Technology.
17. NCB: National Competitive Bidding.
18. NOL: No Objection Letter.
19. OAT: Operational Acceptance Testing.
20. PD: Project Director, PIFRA.
21. PID: Press Information Department.
22. PIFRA: Project to Improve Financial Reporting & Auditing.
23. PO: Purchase Order.
24. PPRA: Public Procurement Regulatory Authority.
25. PR: Purchase Requisition.
26. PSDP: Public Sector Development Program.
27. RD: Regional Directorate.
28. RFP: Request for Proposals.
29. RFQ: Request for Quotations.
30. TORs: Terms of Reference.
31. WB: World Bank.

List of Annexures

STANDARD TEMPLATES OF PROCUREMENT DOCUMENTS.

- Annex 1 : Invitation for Quotations (IFQs)Form
- Annex 2: Comparative StatementForm
- Annex 3 : Purchase OrderForm
- Annex 4 : Operational Acceptance Testing (OAT) ReportForm
- Annex 5 : Assets Coding Form
- Annex 6 : Assets Issuance Form
- Annex 7 : Assets Loss / Damage ReportForm
- Annex 8 : Assets Disposal AdviceForm
- Annex 9 : Assets Upgradation and Maintenance RequisitionForm
- Annex 10: Purchase RequisitionForm
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- Annex 12: Log of Purchase Orders
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- Annex 14: Log of Purchase Requisitions
- Annex 15: Laptop Issuance Form
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List of Appendices - Notifications:

1. **Appendix A:** Bid Evaluation Committee for H/Q and Regional Directorates.
2. **Appendix B:** Delegation of Powers for H/Q and Regional Directorates.

Chapter 1

Introduction, Rationale and Definitions

1. INTRODUCTION AND RATIONALE

This document provides guidelines for all officials / officers / consultants / contractors who are directly or indirectly involved in processes related with procurement in PIFRA. The Project to Improve Financial Reporting and Auditing (Hereinafter referred to as “PIFRA”) is a Public Sector Development Program Project funded by the World Bank. Management of affairs of the Project has been entrusted to Project Directorate, PIFRA established under the Auditor General of Pakistan being the project executing agency.

The Project aims at improvement of governance through an integrated financial management system of the country. This entails, among other things, procurement, receipt, issuance and installation of requisite movable assets including hardware and equipment etc. at various project sites. These sites, after being made operational, shall then be transferred to the stakeholders all over the country.

2. STANDARDS OF CONDUCT

The personnel engaged in procurement are expected to avoid any action and relationship, actually or potentially detrimental to the best interest of state or which may result in impropriety. Therefore, these personnel shall not accept gifts, entertainment, trips or other items of value from suppliers, either past, current or prospective. Contravention to this standard shall attract the relevant provisions of the applicable conduct rules of Government of Pakistan for disciplinary actions. The information relating to procurements is of a confidential nature. It is not permissible that proprietary or confidential information is divulged to or shared with any prospective bidder, person, firm or supplier.

3. INTEGRITY

All officers/staff having any authority in the matter of procurement shall maintain standards of integrity in their business relationships. They must maintain highest standards of financial propriety, business ethics, professional courtesy and competence at all times. Such standards, among others, may include:

- a) Affording fair and equal treatment to all bidders and their representatives.
- b) Guaranteeing the confidentiality of all quotations till they are duly declared open.
- c) Explaining clearly the grounds for rejection of any bids, goods or services.
- d) While awarding contracts competitively or selecting bidders for pre-qualification, the supplier most likely to provide the best overall value shall be selected. Elements typically evaluated in the selection process shall include, but not be limited to, base bid price, and ability to meet special requirements, as well as the supplier's financial stability, management capability, prior experience, past performance, and demonstrated ability to deliver on schedule. Depending on complexity of the contract, PIFRA reserves the right to add appropriate terms and conditions as required by a particular transaction.

4. DEFINITIONS

- 4.1. **Assets:** include all durable goods, as distinct from expendable stores or supplies, with a useful life of more than one year.

- 4.2. **PIFRA:** PIFRA means Project to Improve Financial Reporting and Auditing, an IDA assisted PSDP project of the Department of Auditor General of Pakistan (DAGP).
- 4.3. **Project Director (or PD):** Project Director (or PD) means project director of PIFRA as notified by the DAGP.
- 4.4. **Best Value.** The Best Value method of procurement incorporates cost, quality and other specified requirements to achieve a resulting award that is fair, efficient, competitive (in accordance with World Bank Procurement Guidelines / Public Procurement Rules, 2004), and meets all of the procurement objectives.
- 4.5. **Bid.** A vendor's formal price offered in response to an Invitation for Bids (IFB).
- 4.6. **Professional Services.** The services of attorneys, architects, engineers, accountants, consultants or other individuals having requisite qualifications.
- 4.7. **Public Works Services.** Services for the erection, construction, alteration, installation, repair or improvement of any structure, building or other public improvement of any kind paid for in whole or in part out of project funds.
- 4.8. **Purchase Order.** A legally binding document issued by the Procurement Wing of PIFRA specifying goods or services ordered from a supplier. Procurement Wing or the RD (as the case may be) issuing purchase orders shall maintain a Log of Purchase Orders (**Annex 12**) on permanent basis where all purchase orders shall be entered invariably.
- 4.9. **Request for Quote (RFQ) or Invitation for Quotation (IFQ).** The document used by the Procurement Wing to solicit competitive quotations from suppliers in accordance with the rules.
- 4.10. **Rules.** Rules refer to World Bank Procurement Guidelines and/or Public Procurement Rules, as applicable in a given situation.
- 4.11. **Request for Proposal (RFP).** A document used to solicit proposals for professional services as per relevant rules.
- 4.12. **Sole Source Acquisition (Exception to Bid).** When in the best interest of state, a procurement process in which a specific good or service is procured from a single source without competition as only a sole source situation meets the requirement.
- 4.13. **Public Procurement Rules, 2004:** Rules notified by the Public Procurement Regulatory Authority as amended from time to time and available on PPRA Website (www.ppra.org.pk).

5. General Procurement Policy

The purpose of this manual is to devise policies and procedures under PIFRA for procurement of goods and services and contracting human resources. These policies and procedures are designed to ensure timely, efficient, and economic procurement, within the framework of World Bank Procurement Guidelines (for all procurement to be done through IDA funds) in a transparent way. Unless otherwise stated, these policies and procedures will apply to all procurement actions wherever IDA funds are involved.

6. Principles of Procurement

Basic principle is that all purchases and procurements shall be reasonable and necessary (i.e., no unnecessary item shall be purchased). Other principles to be followed in matters relating to procurement are:

- a. **Economy, Efficiency and Effectiveness (3Es):** Only items that are essentially required for the efficient and effective operations of PIFRA will be purchased in most economic manner.
- b. **Public Access and Transparency:** The principle will be observed in accordance with the guidelines given in Rule 47 of the Public Procurement Rules, 2004, in case of government funds.
- c. **Accountability:** All procedures and practices will provide for adequate measures for demonstrating desired level of accountability.
- d. **Procurement Governance:** All procedures and processes have to be appropriately applied to ensure good governance in procurement matters.

7. Procurement Responsibilities

7.1. Overall procurement responsibilities are entrusted to PIFRA Directorate as identified in Annex-13(G) of the Project Appraisal Document (PAD) of PIFRA-II, which reads as under:

“The Project Directorate of PIFRA II will carry out all procurement activities in liaison with the DG Audit DAG HRM/Training, CGA, MOF, FDs and Provincial AGs, which are the Implementation Agencies of the four components of the project. It is headed by a Project Director and is staffed by Director Audit Component, Director CGA Component, Director FABS, General Manager MIS, Director Training, Director Change Management Component and Director General - Coordination and a Director General - Procurement.”

“A fully dedicated Director General Procurement, supported by a Director Procurement and specialist staff will form the basis of a stronger procurement unit for PIFRA II, but until this arrangement takes root the procurement capacity of PIFRA remains weak.”

7.2. It is the responsibility of Director General (Procurement) to ensure implementation of the policies and procedures contained in this manual. All other officers/officials of PIFRA in any way connected with procurement matters shall also have similar responsibility to adhere to the relevant provisions of this Manual. Various wings/sections of PIFRA responsible/empowered for different procurement activities are identified below:

Task**Responsibility**

Procurement through IDA funds	Procurement Wing
Procurement through GoP funds	Administratiion Wing
Preparation of Procurement Plans	Component Heads / Procurement Wing
Approval of Procurement Plan	PD / World Bank
Posting of plan on PIFRA website	Procurement Wing
Initiation of procurement	Component heads
Approval of procurement	Project Director
Defining & Recommending Method of procurement	Procurement Wing
Implementation of procurement Method	Procurement Wing
Seeking NOL from WB	Procurement Wing
Soliciting the quotations / tenders	Procurement Wing (IDA Funds) Administration Wing (GOP Funds)
Constituting a Bid Evaluation Committee in case of goods and works	Project Director
Constituting Selection Committee in case of consultants.	Project Director
Issuing Purchase Order (PO) /Work Order	Procurement Wing(IDA Funds) Administration Wing (GOP Funds)
Award of Contracts, amendments and variations thereto	Project Director
Inventory Management	Inventory Controller
Ensuring that delivered items/services are in accordance with defined specifications / quality parameters	Officers/Officials assigned OAT responsibilities
Maintenance of Record/ Original Tender Securities, Performance Guarantees/Bonds & Bank Guarantees etc.	Procurement Wing
Receipt & Processing of Bills, IPCs etc.	Procurement Wing: On recommendations from respective component, RD and Dy. Chief Engineer at RD and then vetting & recommendations from Procurement Expert or the Chief Engineer at PIFRA Head Office.
Pre-audit of Bills/IPC's and to seek approval from Project Director through DG (Admin & Ops), PIFRA and issuance of cheques/release of payment and maintenance of updated payment ledgers. as per Delegation of Powers (Appendix B)	Administration & Operations Wing/Consultant (B & A)
Safe Custody, Security and Upkeep of Assets	Inventory Controller and Concerned Officers/Officials of the Stakeholders assigned responsibility by the respective office.

8. Rules/Guidelines Applicable

8.1. PIFRA Procurement Policy/Procedures.

Except otherwise specified in the relevant World Bank Guidelines or rules of the Government of Pakistan, the provisions of this Manual shall be strictly adhered to in all procurement matters. In case of any conflict with the World Bank Guidelines or Rules of the Government, the latter guidelines/rules shall prevail. In this connection General Clause 5 of the Public Procurement Rules, 2004 is also relevant which is reproduced below:

“Whenever these rules are in conflict with an obligation or commitment of the Federal Government arising out of an international treaty or an agreement with a State or States,

or any international financial institution the provisions of such international treaty or agreement shall prevail to the extent of such conflict.”

8.2. Public Procurement Rules, 2004.

PIFRA will adhere to the Public Procurement Rules 2004, issued by Public Procurement Regulatory Authority (PPRA), as amended from time to time and posted onto their website www.ppra.org.pk, where applicable.

8.3. **Guidelines:** Procurement under IBRD Loans and IDA Credits available on website of the World Bank.

8.4. **Guidelines: Selection and Employment of Consultants** available on website of the World Bank.

9. Scope of this Manual

9.1. Scope of this manual is limited to procurement actions involving IDA funds.

Chapter 2

Procurement Policies

1. PROCUREMENT POLICIES

1.1 Procurement Cycle

1.1.1 Procurement Cycle at PIFRA is depicted in

1.1.2 **Figure 1.**

1.1.3 First stage is preparation of Procurement Plan. Overall Procurement Plan for the project period is available in Annex-13(J) of Project Appraisal Document (PAD) of PIFRA-II which reads as under:

“The borrower has developed a procurement plan for project implementation which provides the basis for the procurement methods. This plan has been agreed between the Borrower and the project team on June 1, 2005 and is available in the files of both the Bank and PIFRA Directorate in Islamabad. It will also be available in the project’s database and in the Bank’s external website. The procurement plan will be updated in agreement with the project team annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.”

1.1.4 A summary of the procurement plan is also included in PC-I of the Project against Question No. 7 with details provided in the relevant annexes.

1.1.5 Procurement plan will be reviewed and revised on need basis. Latest version may be made available on PIFRA website.

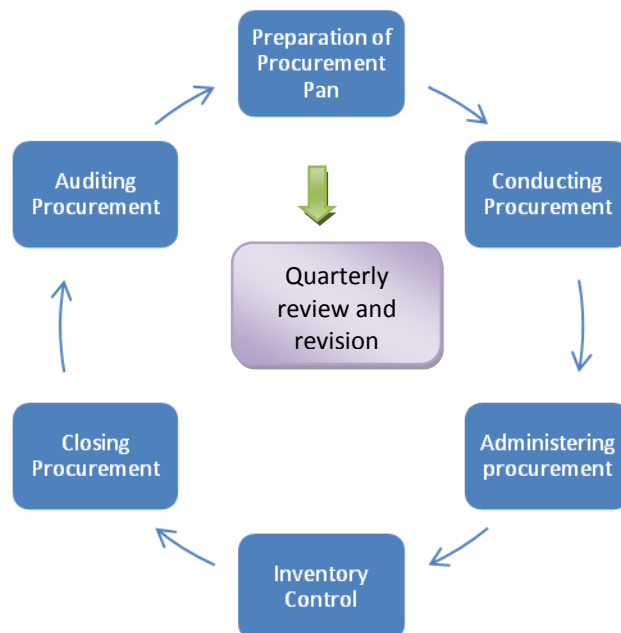


Figure 1 Procurement Cycle of PIFRA

1.2 Market Intelligence

Procurement Wing will make necessary arrangements for market intelligence. Procurement Expert will develop, update and maintain database of prices and suppliers of items procured from time to time (as defined in the Procurement Plan) and maintain profiles of suppliers. The database shall be updated on monthly basis and a report will be submitted to Director (Procurement) for information.

1.3 Advertisement Policy

1.3.1 The policy of PID will be followed in award of the advertisement to the advertising agencies and selection of newspapers. PID will indicate a panel of the advertising agencies. PIFRA will give advertisement to the agencies on turn by turn basis.

1.3.2 Advertisement will be given in at least two national dailies (combined circulation).

1.3.3 Advertisement with specifications will also be posted on website of PIFRA as well as PPRA.

1.4 Procurement Methods for Goods and Services

PIFRA uses three basic procurement methods for the procurement of goods and services: (1) National Shopping, (2) National Competitive Bidding (NCB), (3) International Competitive Bidding (ICB). Detail of each method is given in the succeeding paragraphs:

1.5 National Shopping

1.5.1 PIFRA will use method of national shopping to procure small quantities of office supplies and equipment. In such a case, advertisement is not required. Procurement is based on minimum three quotations. However, purchases will be made from suppliers offering the best value in price, support services, and delivery procedures. Purchase orders are not used for consultant services and subcontracts, travel advances and reimbursements, monthly or periodic bills (e.g., rent, telephone, utilities, equipment leases, and maintenance agreements), minor recurring expenses (e.g., courier services), and items paid from petty cash. Purchase Order (**Annex 3**) will be prepared by the Procurement Expert, with the approval of the Project Director / DG (Procurement), and shall clearly describe the item(s) being purchased, the estimated purchase price, and the purpose of the purchase, where required.

1.5.2 Threshold for goods and works as defined in following para will be followed for implementation.

1.5.3 As defined in Development Credit Agreement (DCA) signed between Government of Pakistan and IDA / World Bank and Procurement Guidelines under IBRD Loans and IDA Credit, limit for national shopping is US\$ 50,000 in case of goods and US\$ 100,000 in case of works. Procurement through National shopping method is subject to post-review.

1.5.4 National shopping cases can be processed by the Procurement Wing and RDs with the approval of Project Director. However, if national shopping is to be carried out by RDs, prior approval of PD shall be obtained through Procurement Wing.

Condition / limit	Method	Remarks
1.1 Procurement less than \$US50,000 for goods	National shopping	Post-review (audit after completion)
1.2 Procurement less than \$US100,000 for works	National shopping	Post-review (audit after completion)
2. Above limits upto US\$ 200,000	National Competitive Bidding (NCB)	Post-review (audit after completion)
3. Above US\$ 200,000	International Competitive Bidding (ICB)	Prior-review (NOL sought before processing the case)

1.6 National Competitive Bidding (NCB)

1.6.1 The method of NCB involves advertisement in the national press. Competition is open to national bidders. The limit applicable is US\$50,000 – US\$200,000 in case of procurement of goods and US\$100,000 – US\$200,000 in case of works.

1.6.2 Procurement Wing alone is authorized to make procurement through NCB.

1.7 International Competitive Bidding (ICB)

The method of International Competitive Bidding (ICB) is required to be used when estimated cost exceeds US\$ 200,000. In this case, prior approval from World Bank is required at each of the steps involved in procurement process. Only Procurement Wing alone is authorized to make procurement through ICB.

1.8 Procurement of Consultancy Services

For procurement of consultancy services, “Guidelines for Selection and employment of consultants by World Bank Borrowers”, is to be followed. Limits defined for different types of contracts are given in Table I below:

Table 1

Limit	Methods	Remarks
Upto US\$ 100,000	Selection based on consultants qualification OR Qualification based selection of consultants	Post-review (audit after completion)
Above US\$ 100,000	Quality and cost based selection	Prior-review (NOL sought before processing the case)
Individual consultant	Based on three CVs or advertisement. Advertisement is optional	Prior-review (NOL sought before processing the case)

1.9 Sole Source Basis

1.9.1 PIFRA may opt for direct contracting if following conditions are fulfilled as per Clause 3.7 of the World Bank Guidelines for Procurement of Goods, Works, and Non-Consulting Services:

“3.7. Direct contracting is contracting without competition (single-source) and may be an appropriate method under the following circumstances. The Borrower shall submit to the Bank for its review and no objection a sufficiently detailed justification, including the rationale for direct contracting instead of a competitive procurement process and the basis for recommending a particular firm in all such cases, except for contracts below a threshold defined on the

basis of risks and the scope of the project, and set forth in the Procurement Plan:-----

- (c) the required equipment is proprietary and obtainable only from one source;*
- (d) the procurement of certain goods from a particular supplier is essential to achieve the required performance or functional guarantee of an equipment or plant or facility;”*

Chapter 3

Procurement Procedures

1. PROCUREMENT PROCEDURES

Basic procedure of procurement for PIFRA is outlined in the Financial Management Manual of PIFRA (p. 12) as follows:

*“All procurement of goods, services and civil works shall be made according to Schedule 3 of Development Credit Agreement (DCA). Section H Para 2.19 to 2.23 of the SAR contains elaboration on the subject and shall always be consulted for guidance on the subject. The Procurement Wing shall be responsible for procurement of goods and services subject to the World Bank’s Guidelines. The Procurement Wing shall use committees notified with the approval of Project Director PIFRA (**Appendix A**) while processing procurement of goods, services and civil works of PIFRA. The Component Managers shall be responsible to provide technical specifications and related details for goods and services required for the Project. To facilitate smooth implementation of the project, the Regional Directors shall be allowed to procure goods and services subject to the prior approval of the Project Director and financial limits indicated in the Financial Manual. The Regional Directors shall send their demands for the approval of the Project Director PIFRA. All procurements of goods and services will be arranged by procurement wing. The same guidelines that are applicable to procurement of goods, services and civil works in the Procurement Wing of the PIFRA shall be applicable to the Procurement in the regional directorates (operations).”*

1.1 Process of Procurement Planning

- 1.1.1. IDA funds procurement is responsibility of the Procurement Wing and purchases through government (GoP) funds is the responsibility of the Administration Wing of PIFRA.
- 1.1.2. Procurement Wing will prepare Annual Procurement Plan with input from all components. The components of PIFRA will prepare their respective annual procurement plans at least two months by October each year and submit the same to Procurement Wing after seeking approval from respective Component Chiefs. The Procurement Wing of PIFRA will consolidate plans received from all components and develop an overall annual procurement plan for the project and submit to the PD for approval before forwarding the same to World Bank for obtaining NOL for approval.
- 1.1.3. The Procurement Plan will be reviewed by the Procurement Wing on need basis or after every quarter and revised plan will be submitted to the PD for approval before being referred to the World Bank. In case the proposed limits are beyond limits of PC-I (maximum relaxation is 15%), then option of revision of PC-I of the project shall be required.
- 1.1.4. The revised procurement plan will then be placed on the website of PIFRA to facilitate bidders / suppliers and other key stakeholders.

Procurement Planning Process is depicted in the following Figure 2:

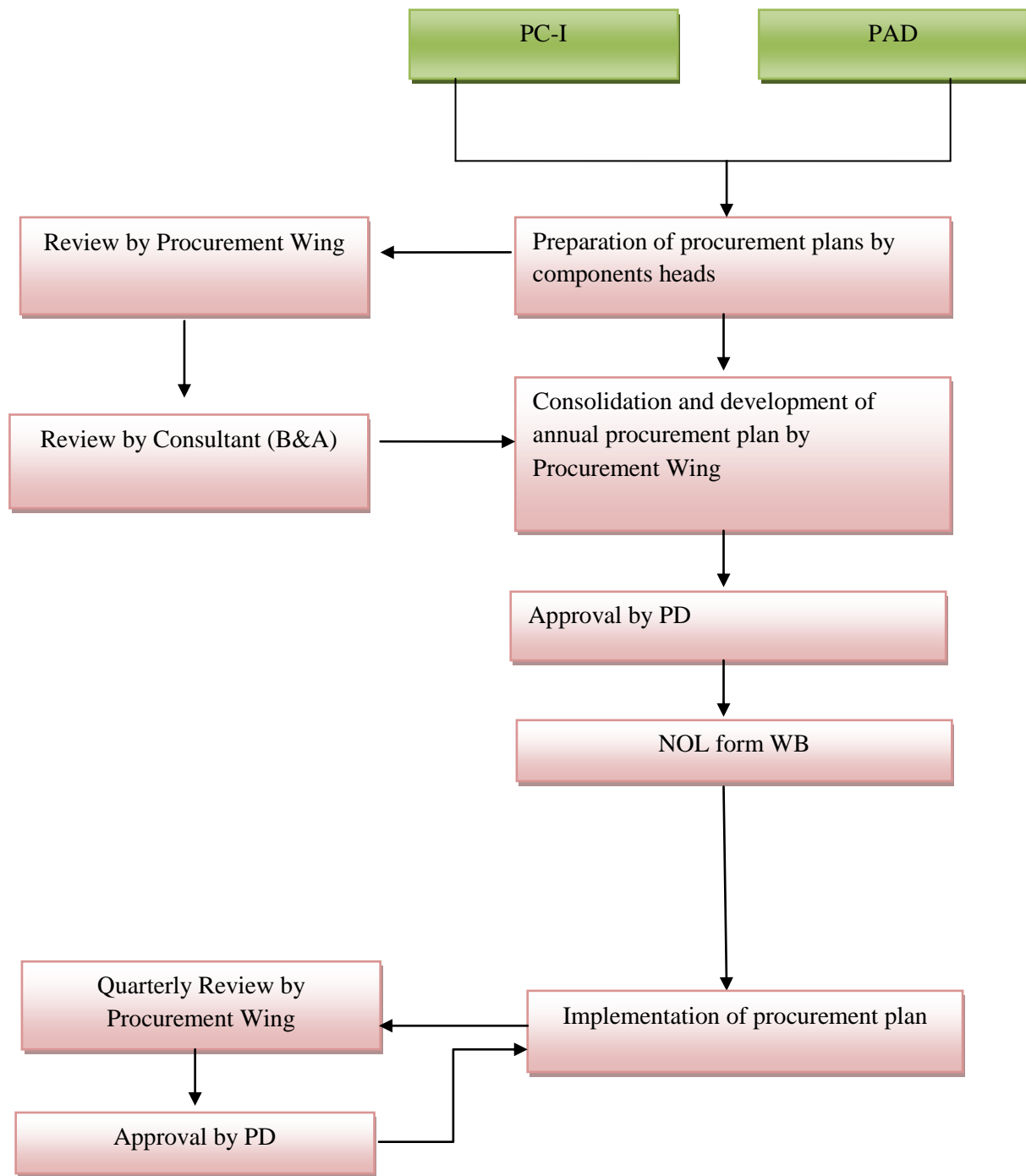


Figure 2 Process for approval of annual procurement plan

1.2 Procurement of Works and Services

1.2.1 National Shopping [Post Review]

1.2.1.1 Following steps will be followed in case of procurement through national shopping:

- a. Concerned component / initiating authority will prepare Purchase Requisition (**Annex 10**).
- b. The component head will seek approval from the competent authority and forward the PR along with estimated costs and document showing approval of competent authority, to the Procurement Wing.
- c. Preparation of Invitation for Quotation (IFQ) (**Annex 1**)
- d. Quotations shall be obtained from a minimum of three suppliers.
- e. Bid will be opened by a Bid Evaluation Committee, which shall have one member (technical) from concerned component.
- f. A comparative statement shall be prepared on the basis of these quotations.
- g. The lowest compliant / responsive bid shall be accepted.
- h. Purchase Order (**Annex 3**) shall be issued to the selected bidder by the Procurement Wing or the RD, as the case may be.
- i. Standard documents used in national shopping include:
 - i. Purchase Requisition (**Annex 10**)
 - ii. Invitation for Quotation (IFQ) (**Annex 1**)
 - iii. Comparative Statement of Bids/Quotations (**Annex 2**)
 - iv. Purchase Order (**Annex 3**)

1.2.1.2 RDs will prepare monthly reports of procurements and furnish on regular basis. They shall maintain record of all items procured by them and shall be responsible for audit.

Steps involved in procurement under National Shopping are depicted in Figure 3:

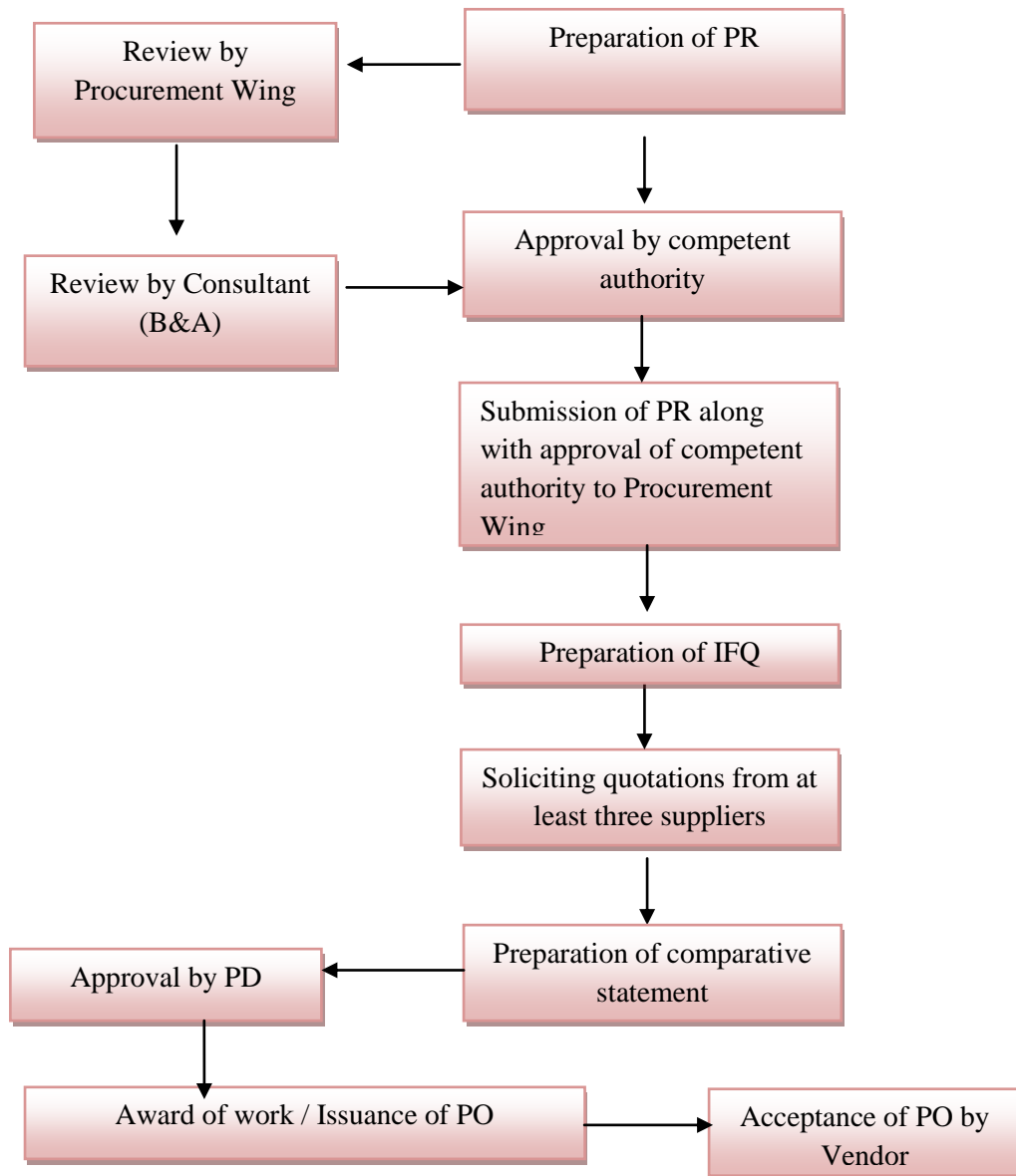


Figure 3: Procurement Process: National Shopping

1.2.2 National Competitive Bidding (NCB) [Post Review]

Processes used in NCB include:

- 1.2.2.1 Concerned component will prepare PR and forward it to Procurement Wing along with cost estimates. The PR will also include complete specification, BoQs, required allied services etc., cost estimates, methods of OAT for acceptance and indicate officer/official responsible for OAT.
- 1.2.2.2 Procurement Wing will prepare Invitation for Bids (IFB) and publish the advertisement in the national press indicating 30 days deadline for submission of bids.
- 1.2.2.3 Advertisement will be posted on websites of PIFRA and PPRA.
- 1.2.2.4 Bidding documents will be issued to the prospective bidders.
- 1.2.2.5 Bids shall be opened by the bid evaluation committee on the last date for their submission as per IFB.
- 1.2.2.6 Bid evaluation report will be prepared by the Bid Evaluation Committee. Responsibility of compliance for the goods/services to meet the required quality shall rest with technical member of the Committee.
- 1.2.2.7 Bids shall be valid for 90 days.
- 1.2.2.8 Bid security provided shall be valid for 120 days.
- 1.2.2.9 Contract shall be awarded to the lowest compliant / responsive bidder.
- 1.2.2.10 Bidders shall be required to submit performance security and sign the contract within 28 calendar days. Contract shall be signed by authorized person of the bidder and PD, PIFRA or an officer authorized by him for the purpose.

Steps involved in procurement under NCB are depicted in Figure: 4.

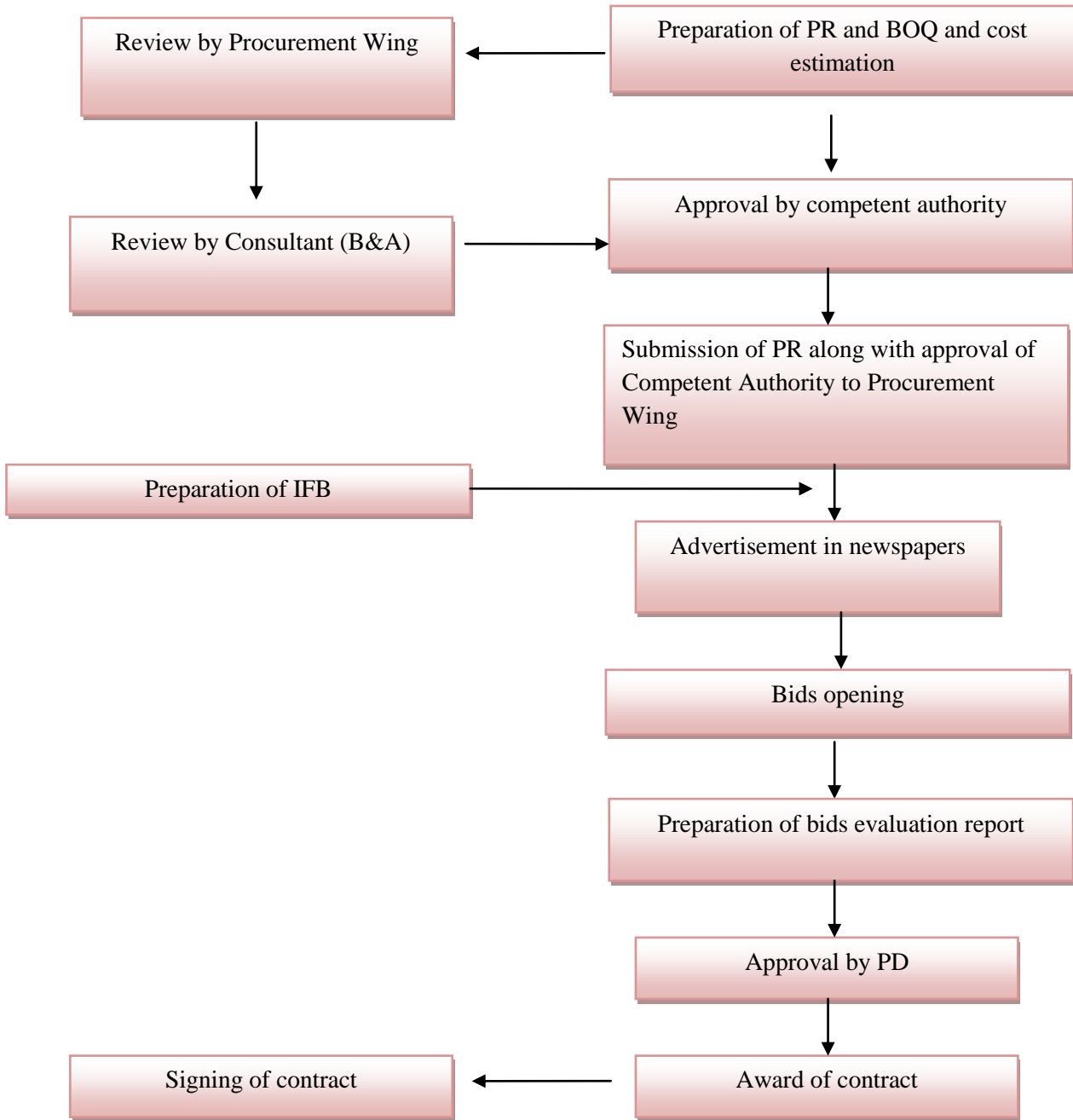


Figure 4: Procurement Under NCB

1.2.3 International Competitive Bidding (ICB)

Procedure involved in ICB include:

- 1.2.3.1 Concerned component will prepare PR and forward it to Procurement Wing along with cost estimates. The PR will also include complete specification, BoQs, required allied services etc., cost estimates, methods of OAT, and indicate the officer/official responsible for OAT.
- 1.2.3.2 Procurement Wing will prepare IFB and publish the advertisement in national/international media indicating 45 days' deadline for submission of bids.
- 1.2.3.3 Procurement Wing shall maintain a Log of Purchase Requisitions (**Annex 14**) to monitor and keep a permanent record of all purchase requisitions received in the Wing.
- 1.2.3.4 Advertisement will also be posted on websites of PIFRA and PPRA.
- 1.2.3.5 Bidding documents will be issued to prospective bidders.
- 1.2.3.6 Bids shall be opened by the Bids Evaluation Committee on the last date for submission given in the IFB.
- 1.2.3.7 Bids shall be valid for 90 days.
- 1.2.3.8 Bid security will be required to be valid for 120 days
- 1.2.3.9 Bid evaluation report shall be prepared by the bid evaluation committee.
- 1.2.3.10 Contract shall be awarded to the lowest compliant / responsive bidder within the validity period (90 days). Bidders shall be required to submit performance security and sign the contract within calendar 28 days.
- 1.2.3.11 Contract is to be signed by authorized person of the bidder and PD, PIFRA

Steps involved in procurement under ICB are depicted in Figure: 5.

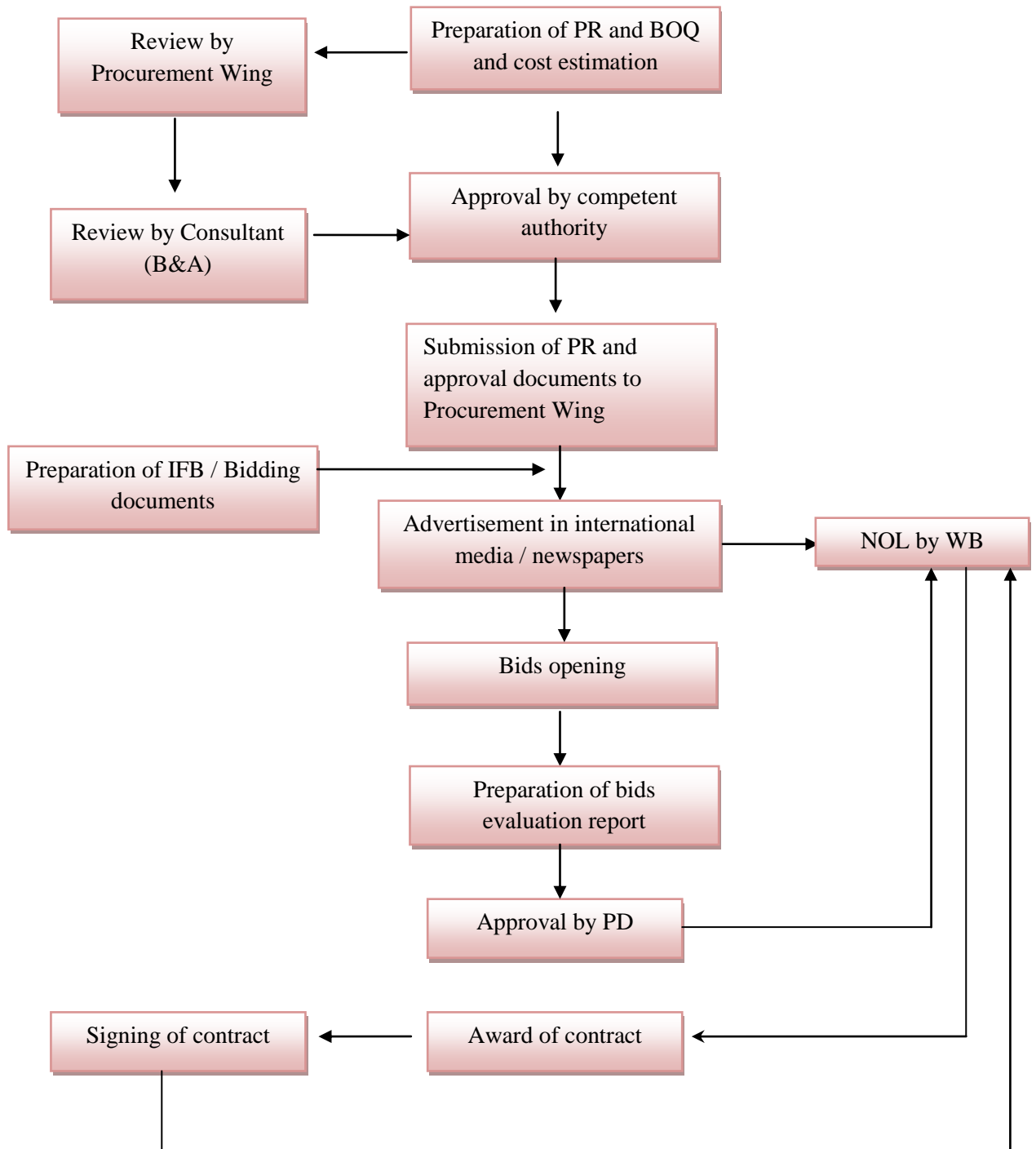


Figure 5: Procurement through ICB

1.3 Procurement of Consultancy Services

As mentioned earlier, “Guidelines for Selection and Employment of Consultants by World Bank Borrowers”, shall be followed. There are three methods for the purpose. Procedure in respect of each of the methods is described below:

1.3.1 Qualification Based Selection of Consultants (Consultancy Firms):

The method of “Selection based on consultant’s qualification OR Qualification based selection of consultants” is used in case cost of consultancy does not exceed US\$ 100,000. In such a case, audit is carried out after completion of the assignment. Procedure involved in qualification based selection of consultants (consultancy firms) are as under:

1.3.1.1 Concerned component will prepare TORs, seek approval of the PD through Procurement Wing indicating estimated costs and the proposed criteria for selection.

1.3.1.2 Procurement Wing will prepare EOI and publish the advertisement giving a notice of 15 days to the interested parties for submission of EOIs.

1.3.1.3 EOIs are received by the Procurement Wing

1.3.1.4 After receipt of EOIs, shortlisting will be done by Selection Committee, approved by PD. Only one top ranked firm will be selected.

1.3.1.5 Request for Proposal (RFP) will be issued to the selected firm with 30 days notice for submission of technical and financial proposals.

1.3.1.6 Technical and financial proposals will be evaluated by the Evaluation Committee and negotiations will be carried out with the selected firm, if required.

1.3.1.7 Contract shall be signed after approval of PD.

Steps involved are depicted in Figure: 6.

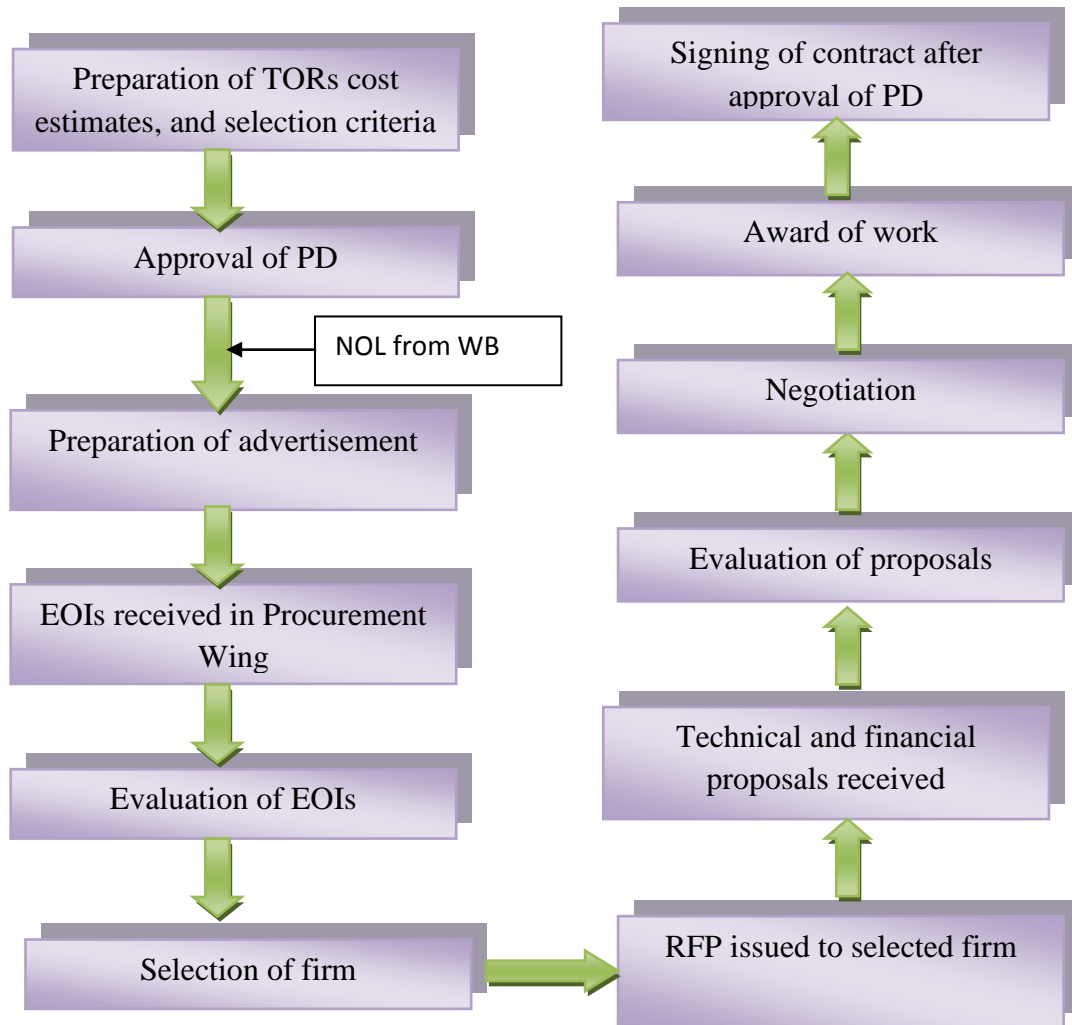


Figure 6: Procedure for qualification based selection of consultant firm

1.3.2 Quality and Cost Based Selection of Consultants (Consultancy Firm)

In case value of consultancy exceeds US\$ 100,000, quality and cost based selection of consultants (consultancy) firm will be used. In such a case, prior NOL is required from the World Bank. Following steps are involved in this method:

- 1.3.2.1 Concerned component will prepare TORs, seek approval of the PD through Procurement Wing indicating estimated cost.
- 1.3.2.2 Procurement Wing will prepare the EOI and publish the advertisement in the press giving 15 days' time to the interested parties for submission of EOIs.
- 1.3.2.3 Shortlisting will be done by Selection Committee, approved by PD. A maximum of six top ranked firms will be selected.
- 1.3.2.4 RFP will be issued to selected firms with 30 days notice for submission of technical and financial proposal. Selection criteria based on quality and cost will be adequately detailed in RFP.
- 1.3.2.5 Technical and financial proposal will be evaluated by the Evaluation Committee. Minimum weightage for technical proposal in the selection criteria will be 70%.
- 1.3.2.6 Approval of PD will be solicited
- 1.3.2.7 Contract will be signed.

Steps involved are depicted in Figure: 7.

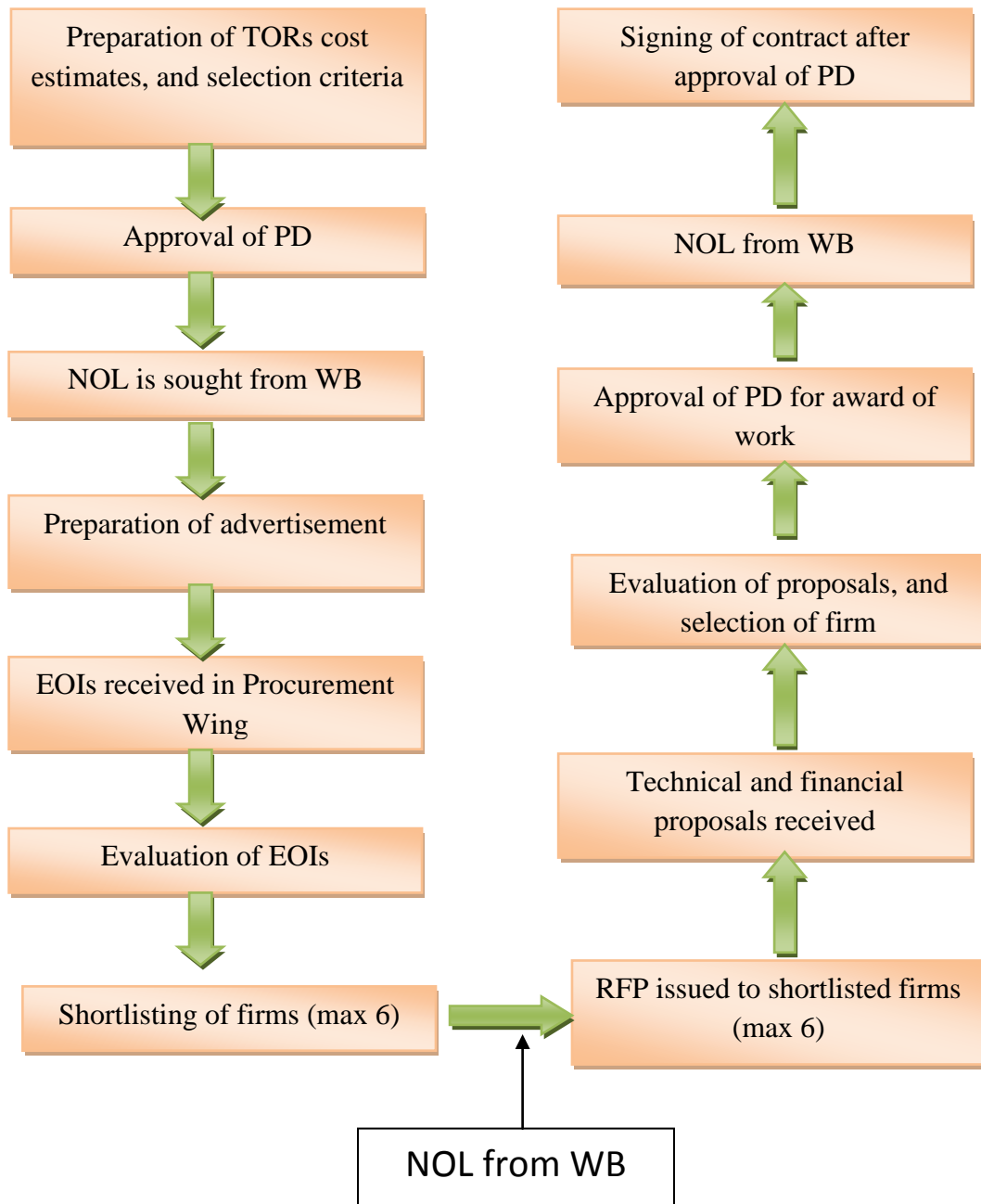


Figure 7: Quality and Cost Based Selection of Consultancy Firm

1.3.3 Individual Consultants

Selection of individual consultants will be based on minimum three CVs. Advertisement in this case will be optional. Consultants' services shall be procured in accordance with the terms and conditions of DCA (Section II), and Para 2.22 of the SAR and World Bank Guidelines. Following procedure will be followed:

1.3.3.1 Concerned component will prepare TORs and forward the same to Procurement Wing indicating estimated cost for approval of PD.

1.3.3.2 NOL will be sought from the World Bank.

1.3.3.3 Procurement Wing will prepare advertisement if required or collect minimum three CVs from the market.

1.3.3.4 Shortlisting will be done by Selection Committee, approved by PD.

1.3.3.5 Interview of the shortlisted applicants will be conducted by the Selection Committee.

1.3.3.6 Selected individuals will be offered the contract.

Detailed procedure is depicted in Figure: 8.

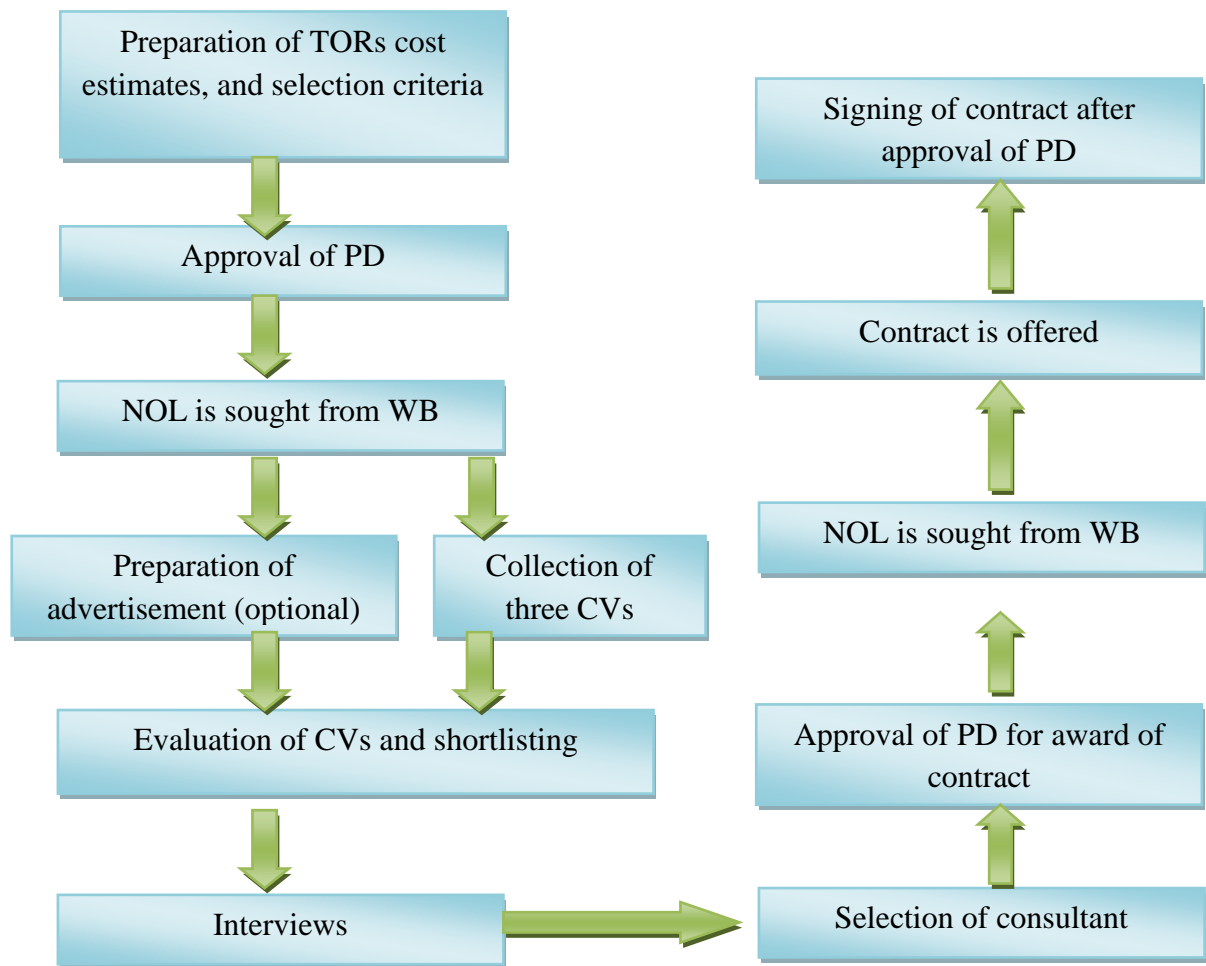


Figure 8: Selection of Individual Consultants

Chapter 4

Post Procurement Processes-

**Delivery, OAT, Payments & Contract
Administration**

1. Major Post-Procurement Processes:

- 1.1 Receipt of goods / services as per details given in PO / Contract by the official. This activity will be coordinated by Inventory Controller.
- 1.2 Submission of Delivery Challan and Operational Acceptance Test (OAT) Reports to Inventory Controller. In OAT, the receiving authority will verify that received items are in accordance with the details given in PO and will recommend to Procurement Wing for making payment to the party.
- 1.3 Recording of assets by Inventory Controller.
- 1.4 For goods and services, the vendor will submit the invoice to Procurement Expert or the concerned component manager. The officer/official responsible will coordinate with Inventory Controller to collect Delivery Challan and OATs along with checklist (Pre-audited payment proforma), and will forward the case through Procurement Wing to Consultant (B&A) for payment.
- 1.5 For civil works, the contractor will submit invoice to Chief Engineer or the Deputy Chief Engineer, as the case may be. The CE will coordinate with Inventory Controller/designated official at RD concerned if anything is needed to be recorded in inventory and will verify completion certificate. The case will be forwarded along with the relevant checklist through Procurement Wing to the Consultant (B&A) for pre-audit and payment.
- 1.6 Consultant (B&A) will forward the case to AO (Pre-audit) who will review the case and ensure that all the requirements and laid down procedures and codal formalities have been fully observed.
- 1.7 In case of any shortcoming(s), AO (Pre-audit) will ask the concerned Wing / Procurement Wing to satisfy queries / observations.
- 1.8 The case will then be forwarded by the AO (Pre-audit) with his clear recommendations as to payment to the Consultant (B&A).
- 1.9 Consultant (B&A) if agrees to the recommendations of AO (Pre-audit) for release of payment, will submit the case to DG (Admn) for approval of PD. On return of the file, B & A Wing shall enter the payment in the relevant register, to be maintained contract/PO-wise, and update the ledger account already placed in the relevant contract file.
- 1.10 After approval of payment, AO (IDA) will prepare the cheques, get it signed from the authorized signatories by submitting the same on original case file containing approval of the competent authority and dispatch the cheque to the beneficiary's address through courier service on the same day with acknowledgement due. A copy of the letter forwarding the cheque to the beneficiary shall be endorsed to the Procurement Wing as well as the concerned component manager/RD's office. Similarly a cheque on account of withholding tax shall be issued to the concerned tax authority on the same day.

2. Operational Acceptance Testing (OAT)

- 2.1 The concerned Component of PIFRA will designate a team of three officers/officials (including at least one officer from the other Component) for inspecting the items procured.
- 2.2 The authorities responsible for OAT will produce three copies of Operational Acceptance Testing (OAT) Report (**Annex 4**) and hand over the same to the Inventory Controller or the designated officer/official of the concerned component/RD. The original Operational Acceptance Testing (OAT) Report (**Annex 4**) shall be forwarded to /retained by Procurement Wing or RD/Component concerned, as the case may be, for processing the payment. First copy shall be sent by the Inventory Controller/designated official to the supplier, retaining the second copy with him.

3. Monitoring Performance/Contract Administration

- 3.1 The Consultant (Contract Management) shall be responsible for custody, record keeping of all contracts and POs and contract administration/monitoring of dates of completion/expiry and matters relating to extension.
- 3.2 Where an extension in any contract is required, the concerned component shall initiate the proposal for extension for approval of the competent authority not later than three months before expiry of its original/extended date of completion.

4. Audit of Procurement

Procurement Wing/concerned Components/RDs shall be responsible for audit of goods, services and works procured at their respective ends.

5. Warranty

Equipment shall be purchased with standard warranty as offered by the supplier/manufacturer. Record of all valid warranties shall be maintained centrally by the Inventory Controller and the Procurement Wing. Profile of any asset transferred to any RD/Component shall also be forwarded to the respective user of the equipment/item who shall, in turn, keep the fact in view and claim the warranty if the equipment/items become faulty/out of order during warranty period.

6. Record of Contracts/P.Os

- 6.1 Procurement Wing will make necessary arrangements for maintaining scanned copies of all contracts/POs so far entered into by PIFRA.
- 6.2 It shall also be ensured that every new contract/POs is scanned immediately after it is signed and a proper record is maintained.
- 6.3 All contracts/POs will be entered in a contract register and assigned a unique number – separately meant for contracts and POs.
- 6.4 Procurement Wing/RD/Component, as the case may be, shall invariably forward the original copy of the contract/PO to the Consultant (B& A) while forwarding first invoice of the supplier for payment after receipt of the goods and their OAT.

Chapter 5

Inventory Control Policies & Procedures

1. Objectives of Inventory Control Policies and Procedures

Following are the objectives of inventory control policies and procedures:

- 1.1 To lay down the procedures for taking Assets on stock and issuance, utilization and availability for intended use,
- 1.2 To take preventive steps against misuse of Assets,
- 1.3 To maintain Assets in orderly and efficient manner; and
- 1.4 To ensure safety and security of Assets.

2. Applicable Scope

This policy is applicable to all officers/officials, officers who are custodians and users of PIFRA assets.

3. Responsibilities:

3.1 Responsibilities of Inventory Controller

The Inventory Controller shall be responsible for all PIFRA assets in the matters of:

- 3.1.1 Safe custody, complete up to date and accurate record of receipt and issuance of assets,
- 3.1.2 Maintenance of proper record of assets under warranty given at the time of delivery,
- 3.1.3 Movement/transfer of all assets,
- 3.1.4 Disposal of surplus, obsolete and unserviceable assets,
- 3.1.5 Arrangement of annual physical stock taking of the assets held in the Inventory as well as those issued to different wings of PIFRA Head Office, Regional Directorates and sites of the Project,
- 3.1.6 Arrangement of periodic Survey Board of the assets to ensure that the best interest of the state is served in the disposition of the Project assets; and
- 3.1.7 Codification of every asset to facilitate its identification as and when required, including physical stock taking.

3.2 Responsibilities of Person/Office Using the Assets

- 3.2.1 Every office, wing, section and/or officer/official of the Project has an equal responsibility for care, custody, maintenance, record keeping, and control of all assets held under their control.
- 3.2.2 Up-to-date departmental records of all such assets shall be maintained by every office, wing, section and/or officer/official of the Project as prescribed in this Manual.
- 3.2.3 A log book shall be maintained in respect of every asset involving regular maintenance/repair and expenditure incurred thereon. Assets like Photocopiers, Diesel Generators, Vehicle, Desktops, Laptops, Printers etc. are included in this category.
- 3.2.4 Similarly, a profile of each asset, containing complete particulars including warranty etc. and history of earlier maintenance/repairs along with expenditures incurred, shall be maintained. The document shall be duly attached while forwarding the proposals seeking approval to cases for repair/maintenance.
- 3.2.5 No asset shall be moved/transferred from one office, wing, section or officer/official to another except with prior formal information and permission of the Inventory Controller.
- 3.2.6 Every office/user of the asset shall send a report immediately on happening of one or more of the events mentioned below to the Inventory Controller and Director (Procurement).
- 3.2.7 A complete report shall thereafter be forwarded to the above officers, not later than three (03) days after occurrence of the event along with necessary papers mentioned against each:
 - a. Asset Lost or Stolen – along with a copy of the FIR lodged with the nearest police station,
 - b. Asset Cannibalized – along with complete details,
 - c. Asset Destroyed – along with cause of destruction,
 - d. Asset Relocated to another building/room – with complete details,
 - e. Asset Found (having previously been reported lost or stolen) – along with details,
 - f. Asset Transferred to Procurement Office – along with reasons for transfer,
 - g. Asset becoming Surplus,
 - h. Any other event concerning an asset considered to be worth reporting.

- 3.2.8 In case an item is no longer required for the purpose for which it was got issued, the fact shall be intimated immediately to the inventory controller who will advise his assistant or the designated officer/official of the concerned RD/Component for a report in the matter. The asset shall thereafter be transferred to another section or office, site, where required, or returned to the inventory controller's office.
- 3.2.9 Any officer or staff member posted out of the Project shall also return the items issued to him in the like manner.

4. Inter-office, wing, section Transfer of Assets

- 4.1 All assets shall be on permanent ledger charge of Inventory Controller.
- 4.2 All requisitions for assets shall be addressed to the Inventory Controller.
- 4.3 An Asset Transfer Advice (**Annex 13**) shall be prepared by the Inventory Controller's office for transfer of every asset to a requisitioning office irrespective of the fact whether the same is issued from his own inventory or is being reallocated from any other office/wing of the Project. Three copies of the Transfer Advice will be prepared and distributed as follows:
- a. Copy 1: Requisitioning Section/Office – For record.
 - b. Copy 2: Transferring Section/Office – For record.
 - c. Copy 3: Inventory Controllers Office – For record and required action

- 4.4 The Inventory Controller shall make entries in the Asset Movement Register to record current location of the item transferred.
- 4.5 After the item has been accepted by the requisitioning office it will be the responsibility of requisitioning office to take care of asset received and maintain its record in the Asset Register.
- 4.6 Any asset requiring any maintenance/repair shall be reported to the Procurement Wing.

5. Requisition and Procurement of Assets

- 5.1 The requisition for an asset shall be assessed by the officer in charge and forwarded to RD/Component Manager. The requisition shall then be forwarded, with recommendations, to Inventory Controller for further action who will ascertain inventory position).
- 5.2 If the requisitioned item is available in stock, it will be issued on Asset Issuance Form (**Annex 6**) by the Inventory Controller after obtaining necessary approval. If procurement is needed, then Procurement Wing will be requested to take the necessary action for procurement. In any case a formal receipt of the item(s) issued shall be obtained on Delivery Form (**Annex 11**).

6. Physical Stock Taking of Assets and Excess/Shortage Adjustments

- 6.1 A physical stock taking of all assets shall be carried out in June every year by Inventory Controller's office.
- 6.2 Inventory Controller shall also carry out quarterly physical verification of all assets of the Project and forward the lists to the B & A Wing for reconciliation with the financial record of these assets maintained by that Wing in the form of Assets Register (**Annex 17**).
- 6.3 All wings, sections and/or officers/staff of the Project shall extend full cooperation to the Inventory Controller in performance of above duties.
- 6.4 Based on physical counting, a list of excesses and shortages will be prepared by the Inventory Controller. The Internal Audit Wing shall prepare a report of weaknesses in the system and make recommendations for improvement.
- 6.5 In some cases only a book-keeping adjustment may be required as some of the items might have changed their location and the record in the books may not have been updated.
- 6.6 Every other shortage and excess shall be thoroughly investigated by Internal Audit to determine reasons and propose the course of action.

7. Depreciation.

- 7.1 B & A Section shall record depreciation for each asset mentioned in the Assets Register in accordance with the government's policy.
- 7.2 The amount of depreciation for every item entered in the Ledger shall be calculated and recorded therein on a half yearly basis to readily ascertain book value of any asset at the time of disposal of assets identified for the purpose.
- 7.3 Items fully depreciated shall remain in the Assets Register until they are actually disposed off as per laid down procedure under this Manual.

8. Maintenance, Repair and Up-gradation

- 8.1 Any asset requiring maintenance, repair or up-gradation shall be reported in the format prescribed (**Annex 9**) for Repair, Maintenance and/or Up-gradation, to the Procurement Wing with a copy to Inventory Controller along with asset profile. A detailed description of the nature of maintenance, repair or up-gradation required in the opinion of the user/user department shall also be recorded in a covering letter/office note.
- 8.2 In case of maintenance, repair or up-gradation of IT equipment, an IT person of the Project (at SAP CC or at the respective RD Office, as the case may be) shall be involved for need assessment and estimation of cost.
- 8.3 The Inventory Controller shall coordinate with the Administration or Procurement Wing, as the case may be, in whose purview the proposed work falls.
- 8.4 Cost of maintenance, repair and/or up-gradation shall be borne as under:
 - 8.4.1 By the Project in case of normal wear and tear or up gradation.
 - 8.4.2 By the user in case of proved negligence or mishandling of the asset after a fact finding inquiry.
 - 8.4.3 The concerned office and Inventory Controller shall update profile of the relevant asset maintained in their offices. Similarly, cost and depreciation of the asset shall also be updated by the B & A Wing in the Assets Register if it is considered that the expenditure incurred on its maintenance, repair and/or up-gradation has an effect of increasing its useful life.

9. Disposal of Assets

Disposal of an asset shall be proposed/considered, if:

- 9.1 It has been declared as unserviceable or obsolete,
- 9.2 It has completed the useful life and the Assets Register maintained by B & A Wing shows zero book value,
- 9.3 Its maintenance/repair cost exceeds 60% of its replacement cost,
- 9.4 It has become beyond local repair within the country.
- 9.5 It has been damaged or destroyed, after the cause of damage or destruction stands duly investigated and responsibility, if any, fixed as per Asset Loss/Damage Report (**Annex 7**).
- 9.6 All disposal proposals shall be placed before the following Disposals Committee for recommendations:
 - a. Director (Procurement) - Chairman,
 - b. A BPS-17 Officer of B&A Wing – Member; and
 - c. Inventory Controller.

- 9.7 The Inventory Controller shall prepare an Asset Disposal Advice (**Annex 8**). Inventory Controller's office shall complete particulars of the asset while the other part meant to contain financial information like cost, accumulated depreciation and written down value shall be completed by B & A Wing.
- 9.8 Items identified for disposal shall be disposed of once a year. The Advice will be reviewed by an officer designated by the Project Director.
- 9.9 After approval of the Advice by the said officer, the Inventory Controller shall arrange for an auction as per government rules on the subject.
- 9.10 A Comparative Statement of offers will be prepared by the Inventory Controller's office.
- 9.11 Only the highest offer shall be accepted for the sale of any asset.
- 9.12 An item remaining unsold may be written off the records on the authority of an Adjustment Note to be prepared by the Inventory Controller and approved by competent authority under government rules.
- 9.13 Prior to removal from the office, the surplus computer equipment shall be sent to an Information Technology Person where all data will be erased from the hard drive.
- 9.14 All assets disposed off under this clause shall be charged off the relevant records on the authority of the approved Asset Disposal Advice (**Annex 8**).

10.Codification of Assets.

- 10.1 The Inventory Controller shall assign a unique identification code/barcode to every asset immediately (within 24 hours), when received for the first time in Head Office or directly received at RD Office or other offices, as per approved Codification Scheme contained in **Annex 16**.
- 10.2 An Asset Coding Form (**Annex 5**) containing the following information shall be filled in and recorded at the time an asset is codified as above:
 - i. Name & description of the asset,
 - ii. Make, Model, Type and Manufacturer's Serial/Tag Number,
 - iii. Specifications,
 - iv. Detail of accessories;
 - v. Detail of Documents i.e. Operational Manual, Use Guide etc.,
 - vi. Purchase order reference i.e. order number/Contract Agreement,
 - vii. Date of Purchase, price, warranty period etc.,
 - viii. Name of Supplier,
 - ix. Any other relevant information.

- 10.3 The code shall be marked at a visible place on the asset using an engraver or an irremovable sticker.
- 10.4 The code number of the asset shall also be entered in the Operational Acceptance Testing (OAT) Report (**Annex 4**). The B & A Wing shall, on receipt of copy of these documents, make necessary entries including the code number of the asset, in Assets Register (**Annex 17**) maintained in that Wing.
- 10.5 The Inventory Controller's office shall maintain the Assets Movement Register to record the quantities of assets received, along with code number of each item and the movement of such items from one Section/Office to the other.
- 10.6 The Inventory Controller's office and B & A Wing shall reconcile the Assets Movement Register and Assets Register, maintained by them respectively, on quarterly basis.

11. Sensitive Property.

- 11.1 Sensitive Property means theft sensitive items that are highly desirable, costly and portable. Examples of sensitive property include computers, digital and video camera equipment, televisions, VCRs, cell phones and all similar electronic items, etc.
- 11.2 It is highly desirable that complete record of these items including make, model, serial number, value, supplier etc. is duly maintained in the respective offices and/or wings of the Project.
- 11.3 A Laptop Issuance Form (**Annex 16**) shall be completed and signed by the officer/official of the Project upon receipt of any new laptop or in the event that possession of the laptop is transferred to him/her from another officer/official of the project. Prior approval of PD shall be obtained for issuance of a laptop to any officer/official on the recommendation of the Component Manager/DG concerned.
- 11.4 An IT person of the Project shall be approached to have all laptop parts and accessories checked to ensure that the laptop is returned to the Inventory Controller's office as a complete unit as issued.
- 11.5 In the event of reported theft of any such item, an FIR shall be lodged in the nearest Police Station immediately with complete details and Director (Procurement and Inventory Controller shall be informed in writing about the incident on the day of occurrence.
- 11.6 In case of items in custody of officers/staff of the Project, recoveries of its value shall be made from their payroll or through any other mode to salvage government interest.
- 11.7 The cases of Project Management Unit shall be handled by Administration Wing of PIFRA with the approval of Competent Authority.

12. Fittings and Fixtures of Buildings.

- 12.1 A proper Building Inventory (**Annex 18**) shall be prepared in respect of all fittings and fixtures of a building at the time of taking over from the Civil Work Contractor after completion.
- 12.2 The officer of the Project taking over the building and an authorized representative of the work contractor shall sign the said building inventory in token of agreement of the both.
- 12.3 A copy of the Building Inventory prepared as such shall invariably be forwarded to Inventory Controller as well as to Chief Engineer, PIFRA and B & A Wing.

- 12.4 Similarly, building inventories of all the existing buildings of the Project shall be got prepared by head of each office of the Project. Copies of the said building inventories shall be shared with Inventory Controller, Chief Engineer and B & A Wing.
- 12.5 Inventory Controller shall then adopt the same procedure, in respect of all fittings and fixtures, as detailed in this Manual for assets acquired through purchase. Only difference would be that the fittings and fixtures shall be treated to have been delivered directly to the relevant building without being routed through inventory.
- 12.6 The Inventory Controller shall arrange physical marking of the identification codes/barcodes on the fittings and fixtures of buildings at site.

13.Loss Prevention Measures.

In order to ensure prevention of loss of assets, one or more of the following measures shall be adopted by the responsible office, wing, section and/or person of the Project:

- 13.1 Ensure that all assets are clearly tagged with bar codes.
- 13.2 Using engraver, engrave the words “Government Property, the name of the department and an identification code number”.
- 13.3 Office machines may be cabled or bolted and locked to the employees’ desks and stands to ensure a sufficient amount of protection.
- 13.4 A security room, closet, or cabinet with locking capabilities may be used to store any item(s) considered vulnerable to theft.
- 13.5 No asset shall be allowed to move out of an office unless prior approval of the competent authority of Administration Wing is duly obtained on a proper Gate Pass which shall invariably accompany the asset in question.
- 13.6 For internal control purposes, concerned offices/wings of the Project may assign a responsible person to ensure safety, upkeep and maintain record of assets and to perform interim counts physically. The officer/official shall be duly notified by the respective office and on transfer or change of charge shall duly notify the new officer/official responsible for the task.
- 13.7 Periodic review of security needs by respective offices/wings/sections.

14.Reconciliation of Assets with Financial Record and Transfer to Ultimate Beneficiaries of the Project.

- 14.1 Before the assets installed/held in various offices of the Federal and Provincial Governments are formally handed over to these offices, a complete reconciliation of all assets procured under the Project shall be carried out with the financial/payment record maintained by the B & A Wing, by a committee comprising the following:
 - i. *An Officer of Procurement Wing – Chairman,*
 - ii. *An Officer of B & A Wing – Member; and*
 - iii. *Inventory Controller – Secretary.*

- 14.2 Discrepancies, if any, shall be thoroughly investigated and made good from the officers/staff held responsible.
- 14.3 Final holdings of all the assets, as reconciled shall be entered in appropriate number of Stock Registers and or Equipment Ledgers for formal handing over to the concerned offices.
- 14.4 PIFRA shall formally request each concerned office/department to appoint a focal person for taking over PIFRA assets. At the time of handing/taking over each and every item of assets shall be jointly counted by representative of the Procurement Wing of the Project and the said focal person of the concerned office/department of the Federal or Provincial Government.
- 14.5 After agreement of both on the number and description of the assets, authorized representatives of the Project and the concerned office shall sign each page of the stock registers/ledgers mentioned at clause 29.3 where the assets have been recorded, in token of these assets having been taken over/handed over. Four copies (in original) of the handing over/taking over report shall be prepared and jointly signed by the officials, with office stamp and date. A copy of each shall be retained by the Inventory Controller and the respective office. The remaining copies shall serve as record of Procurement Wing and B & A Wing.
- 14.6 Any assets procured for an office/department after completion of the above handing/taking over exercise till closure of PIFRA shall be directly taken on charge in the relevant stock ledger(s) now held by the office/department concerned.

Annexes

Annex 1

Format of Invitation for Quotations (IFQs)

No. /PIFRA/Proc./ _____

Dated: _____

1. M/s
2. M/s
3. M/s
4. M/s
5. M/s

Subject: Invitation for Quotation (IFQ) for Supply and Installation of

Government of Pakistan has received a credit from the International Development Association (IDA) in various currencies towards the cost of Second Project to Improve Financial Reporting and Auditing (PIFRA) and intends to apply part of the proceeds of this credit to eligible payments under the contract for which this invitation for quotations is issued.

2. You are invited to submit your most competitive quotation for the Supply and Installation of the following equipment.

2.1 **Equipment Specifications:**

S. No	Equipment Specs.	Quantity

2.2 **Contact Person:**

Director (Procurement), PIFRA Directorate Islamabad.

Phone No: 051-9224038. Fax No: 051-9219191

- 2.3 Delivery and installation of equipment shall be required at following sites.

(Islamabad, Lahore, Karachi, Quetta and/or Peshawar, as the case may be)

- 2.4 Delivery/Installation period shall be 4-6 weeks after issuance of Purchase Order.

3. Bid Price

- a) All duties, taxes and other levies payable by the contractor under the contract shall be included in the total price.
 - b) The rates quoted by the bidder shall be fixed for the duration of the contract and shall not be subject to adjustment on any account.
 - c) The Prices should be quoted in Pakistani Rupees only.
4. Each bidder shall submit only one quotation.

5. Evaluation of Quotations

The Purchaser will evaluate and compare the quotations determined to be substantially responsive i.e. which

- a) Are properly signed; and valid for minimum 30 days.
- b) Conform to the terms and conditions, specifications and warranty period.
- c) The bidder has authorization from the manufacturer for offered brand for items under lot 1, for which equipment should be branded/originally assembled by the Manufacturer.

6. Award of Contract

The Purchaser will award the contract to the bidder whose quotation has been determined to be substantially responsive and who has offered the lowest evaluated quotation price.

6.1 Notwithstanding the above, the Purchaser reserves the right to accept or reject any quotations and to cancel the bidding process and reject all quotations at any time prior to the award of contract.

6.2 The bidder whose bid is accepted will be notified of the award of contract by the Purchaser prior to expiration of the quotation validity period. The terms of the accepted offer shall be incorporated in the purchase order.

7. Payment @ 70% of cost of contract shall be made upon provision of original delivery challans duly signed and stamped by the user/ PIFRA Directorate and 30% payment upon issuance of Satisfactory Performance Certificate duly signed and stamped by the user / PIFRA Directorate.

8. Three years commercial warranty offered by original manufacturer / vendor (free of cost parts & labor) shall be applicable to the supplied goods, against which Performance security @ 2 percent of the cost of contract shall be applicable in the form of a bank guarantee.

9. We look forward to receive your sealed quotations within 10 days of this IFQ but not later than **00/00/0000** and thank you for your interest in this project.

Procurement Officer

(Signatures)

Phone: -----

Fax: -----

Annex 2

Template of Comparative Statement Bids/Quotations

Comparative Statement Dated: _____

Procurement of _____ under NS. _____

S.No.	Firm	Items / Quantity	Total Price inclusive of GST (Rs.)	Remarks
1	M/s ABC			1 st Lowest
2	M/s XYZ			2 nd Lowest
3			3 rd Lowest
			

The committee recommends M/s ABC for award of contract as lowest responsive bidder.

Chairman _____
(Signatures)

Member _____
(Signatures)

Member/Secretary _____
(Signatures)

Annex 3 Purchase Order

No. /PIFRA/Proc/.....

Dated: _____

M/s

Address.....

Ph:

Fax:

Subject: **Purchase Order for Supply of**

Please refer to your Quotation No.Dated: 00/00/0000

2. We are pleased to inform that your quotation for supply of the items listed in the table below has been accepted by PIFRA with the following Terms and Conditions:

S. No.	Item Description:	Total Amount (Including Taxes) (Rs.)
1.		
2.		
3.		

3. Place of delivery and contact officials:
..... PIFRA Directorate, Islamabad.
4. You are requested to please coordinate with the above official to conduct the Operational Acceptance Tests.
5. You are required to arrange delivery and installation within 2-3 weeks of the issuance of Purchase Order.
6. In case of any delay, Late Delivery Charges @ 0.05% of the cost of undelivered portion of supply will be levied every day beyond the stipulated time of delivery, subject to a maximum of 10% of the contract price.
7. Any deviation from the specifications given in the quotation shall be deemed as violation of this document and may result in cancellation of the Purchase Order, even if the product required has been delivered.
8. The rates accepted are for Delivered Duty Paid (DDP) and are inclusive of taxes and duties payable by M/s as per laws of Islamic Republic of Pakistan.
9. Income tax will be deducted at source as per rule/orders if applicable.
10. You are directed to provide performance guarantee in shape of Bank Guarantee/Pay Order/ Bank Draft @ 2% of the contract which will remain valid during warranty period.
11. 100% payment will be made upon provision of Delivery Challans and Operational Acceptance Tests (OATs) reports dually verified by the PIFRA Directorate.

.....
(Signatures)
Procurement Officer

Copy to:

Annex 4

Operational Acceptance Testing (OAT) Report

Supplier: _____					R & I Report No: _____				
Status (Complete/Incomplete) _____					Date: _____				
					Purchase Order No: _____			Dated: _____	
					Letter Of Credit No: (If Applicable): _____			Dated: _____	
Serial No	Asset Code	Item Description	Unit	Quantity Ordered	Quantity Received	Quantity Rejected	Quantity Accepted	Rate	Value
Reasons for Rejection (if any):									
Received By		<i>Inspected By</i>					Approved By		Entered By

Annex 5

Asset Coding Form

Reference No: _____ Registered By: _____ Date: _____

Item Description				
Assets Code.		Model/Type		
Brand:		Receiver Reference		
Serial No.				
Functions/ Specifications Description				
Accessories				
Documentation				
Up gradation/ Maintenance Record				
Purchasing Reference Information	Purchase Order Number	Purchased Value	Warranty Period	
	Supplier:	Name of Company		
		Vendor Address		
Contact Person/Number				
Other Reference Information (if any)				
Sign of registration authority				

Annex 6

Asset Issuance Form

Asset Code No: _____

Date: _____

Receiving Person	Department		Designation/Location
Item Description			
Quantity Issued		Assets Code.	
Serial No.			
Model/Specification			
Accessories			
Documentation			
Received By:			
Issued By:			

Annex 7

Assets Loss / Damage Report

Reported By: _____

Date: ____ / ____ / ____

Item Description			
Assets Code.		Serial No.	
User Name		Department/Location	
Cost (To Be Filled in by Inventory Controller)			
User Justification <i>(Reasons For Damage/Loss In Detail)</i>			
Description of Damage/Loss			
User Signature			
Signatures of Component Manager/Head of Wing/Office.			
Submitted by Inventory Controller <i>(with a report on investigation as to person responsible for loss/damage)</i>			
Decision of DG (Procurement)/PD			

Annex 8 Assets Disposal Advice

Item Description			
Model/Type			
Purchased Value		Value After Depreciation	
Assets Code		Date Purchased	
Present User (<i>Name & Designation</i>)		Department	
Reason For Disposal			
Recommended By Department Head			
Comments of Inventory Controller			
Recommendations of Director(Procurement)			
Approved of P.D.			

Annex 9

Assets Repair, Maintenance and/or Up-gradation Requisition

Item Description			
Name& Designation of Official Initiating the Requisition		Model/Type/Serial	
Purchased Value		Value After Depreciation	
Assets Code.		Date Purchased	
Present User (Name & Designation)		Department	
Purpose	<input type="checkbox"/> Up gradation <input type="checkbox"/> Maintenance/Repair		
Reasons/Problem Diagnosed			
Detailed Requirements			
Estimated Cost		Applicant Signature:	
Recommended By Department Head			
Comments of Inventory Controller			
Recommended By Dir. Proc.			
Approved By P.D.			

Annex 10 Purchase Requisition

Reference No: ABC/00 Date: _____

Applicant	Department/Location	Designation	
Item Description <i>(Name of Item Required)</i>			
Model/Type			
Estimated Cost		Quantity Required	
Purpose/PC I Reference			
Available Budget (Budget Allocation to be filled by B&A)			
Specifications/Technical Requirements In detail <i>(Shall be written in Detail)</i>			
Applicant Signature			
Comments of the Inventory Controller	Recommendations of Director (Procurement)		
Approved By P.D. (Ref. to File No. and Date)			

Annex 11 Delivery Form

Asset No: _____ Date: _____

Receiver	Department	<i>Designation/Location</i>	
Item Description <i>(Complete)</i>			
Quantity Issued		Assets Code	
Serial No.			
Model/Specification			
Accessories			
Documentation			
Received By <i>(Signature and Stamp)</i>			
Issued By:			

Annex 15

Laptop Issuance Form

Name of Employee: _____

Date of issuance: _____

Location: _____

1. I have received the following _____ (mention make) Laptop Computer, Model _____ bearing Asset Code # _____, Manufacturer Serial # _____ along with the following accessories:

<input type="checkbox"/> Docking Station	<input type="checkbox"/> Short Plug for Combination Adaptor
<input type="checkbox"/> Wall Charger for Docking Station	<input type="checkbox"/> Portable AC/DC Adaptor for Docking Station
<input type="checkbox"/> Network Cable	<input type="checkbox"/> Laptop Bag
<input type="checkbox"/> External DVD/CD Player	<input type="checkbox"/> Car Charger/Adaptor
<input type="checkbox"/> Cord for External DVD/CD Player	<input type="checkbox"/> Combination Adaptor
<input type="checkbox"/> AC Power Cable for Laptop	<input type="checkbox"/> Wall Adaptor Extension
<input type="checkbox"/> AC Power Cable for Docking Station	

2. I shall be responsible for replacing any lost items at the time laptop is returned.
3. I understand that the laptop computer is being issued as a tool to facilitate my official work.
4. I understand that I am responsible for the laptop computer issued to me and that I will care for the equipment in such a manner as to prevent loss or damage.
5. I further understand that:
- The laptop is a work tool and should be brought to work each day.
 - The laptop should be transported in its case and stored carefully so it is not susceptible to damage.
 - I may not make any permanent personally identifying marks on the laptop computer including adhesive labels/stickers etc.
 - The laptop should never be left unattended after office hours, weekends, holidays, etc.
 - The laptop should not be left unattended in any public area.
 - Acceptable storage of laptop during office hours includes locked desks, cabinets or other secured spaces the laptop is not visible when not in the user's possession.
 - The laptop should not be left inside a vehicle where temperature extremes can permanently damage the unit and/or its components or could be visible resulting into its theft.
 - In the case of any damages or abuse of the laptop, or because of my failure to follow company technology acceptable use policies, including this agreement, I understand I will be held responsible for payment of repairs or replacement.
 - The company reserves the right to withhold the above payment from my salary if I fail to make appropriate payment.
 - In the event of damage, loss or theft of the laptop, I am responsible to obtain an incident specific police report immediately.

- In the event of damage, loss or theft of the laptop, I will immediately notify the Inventory Controller or his/her designated representative and the Information Technology Department for repair or replacement matters.
 - The laptop computer and any other accessories/components will be returned to the Inventory Controller, and none other, immediately upon termination of my employment, posting out of the Project or at any other time as specifically directed by the competent authority.
 - Any data corruption or configuration errors caused by installation of unauthorized or illegal software may result in a loss of all data on the laptop and /or system due to the need for a complete reload. No such data which is pornographic or communal in nature may be stored on the laptop. Unauthorized or illegal software may not be installed on the laptop. Failure to follow this may result in penalty to employee and immediate seizure of laptop.
 - I am responsible for backing-up all data on the laptop. The company is not liable for lost data.
 - Use of this laptop is governed by the rules and conditions of PIFRA.
6. I agree to the above terms and conditions as such, agree to fully cooperate with property loss reporting requirements and with property loss incident investigations.
7. My signature below indicates that I have thoroughly read and understood the above terms and conditions.

Employee Signature: _____

Date: _____

Signature of Official Issuing the Laptop: _____

Stamp: _____

Date: _____

Annex 16

Codification Scheme

ASSET TYPE	DESCRIPTION	MAIN CATEGORY	SUB CATEGORY
CIVIL WORK (Buildings) C			
	CIVIL WORK	100	100
	CIVIL WORK	200	210
FURNITURE AND FIXTURE F			
	TABLE	100	110
	CHAIR	200	210
	RACKS , CABNETS	300	310
	CUPBOARDS	400	410
	HANGER/CARPETS	500	510
EQUIPMENT E			
	PHOTOCOPIER	100	110
	MULTIMEDIA PROJECTOR	200	210
	FAX MACHINE	300	310
	KITCHEN EQUIPMENT	400	410
	TYPE WRITER	500	510
	TV/VCR	600	610
	MISC	700	710
	AC	800	824
	VECUM CLEANER	900	910
	HEATER	900	923
	DIESAL GENERATOR	900	970
COMPUTERS AND ACCESSORIES H			
	COMPUTERS	100	140
	SERVER COMPUTER	100	150
	LAP TOP	200	230
	PRINTER	300	310
	FAX MODEM	400	410
	SCANNER	500	510
	SERVER UPS	600	610
	COMPUTER UPS	600	620
	DATA SWITCH	700	710
VEHICLES V			
	VEHICLES,CAR,JEEPS	100	310
	MOTOR CYCLE	400	410

Annex 17

Assets Register

Name of Asset: _____ **Asset Code:** _____

Detailed Description: _____

Acquisition Reference	Date Of Acquisition	Location (and/or Custodian)	Original Cost	Depreciation Charge for the Period		Accumulated Depreciation	Written Down/Book Value	Date Of Revaluation (If Any)	Revalued Amount (If Any)	Depreciation (Revalued Amount)	Accumulated Depreciation (Revalued Amount)	Written Down Value
				Rate	Amount							

