

NUST

Guidelines for Procurement



P&LP DIRECTORATE

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Part-I

Procurement Procedure

1. Procuring agencies while engaging in procurement have to ensure that procurements are conducted in fair and transparent manner. No expenditure shall be incurred or order placed without sanction of the competent authority.
2. To ensure value of money, transparency and cost savings, sustainable procurement policies be adopted by devising strategies that reduce the demand of product by extending life, re-usability and recycling of product.
3. Cases for procurement of items /stores will be initiated by the concerned section of HQ NUST/Dte/School through a minute sheet through Director/Head of Department for approval/sanction of competent financial authority i.e. Pro-Rector/Rector. On approval of competent authority, the minute sheet will be forwarded to P&LP Dte for further processing.
4. Detailed procedure is as following:-
 - a. User should forward separate case for each equipment/store along with following:-
 - (1) Quantity and Specifications along with photographs.
 - (2) Approx price (obtained from P&LP Dte through ION).
 - (3) Confirmation of funds from Fin Dte.

- b. Director/Head of Department should rationalize the requirement keeping in view the expenditure involved before forwarding the case to competent financial authority for approval of items to be purchased.
- c. Approval will be given by competent authority as per financial powers [Ref: NUST Statutes Annex F to part 1 of para 120.
- d. All academic related purchases of schools/ institutes and Military Colleges related to equipment/ stores such as lab furniture, equipment, and classroom furniture shall be routed through Dir Acad for approval of Pro-Rector (Acad) being the Competent Financial Authority. All other purchases (Not related to Academics) by the Dtes/ institutes to include such as furniture, stationary and cleaning material shall be processed for Rector's approval through Pro-Rector (P&R).
- e. Case duly approved will be sent to P&LP Dte for procurement action by local purchase committee.

5. **Composition of Procurement Committee (LPC)**

The committee will be nominated by HQ NUST. The General Composition is as follows:-

President	-	Dir P&LP
1x Member	-	Fin Dte
1x Member	-	P&LP Dte
1x Member	-	Concerned School/Dte
1x Member	-	ICT Dte (only for IT Eqpt)

6. **Items being procured by P&LP Dte**

- (a) Purchase of new furniture and fixtures.
- (b) Repairs of old furniture and fixtures.
- (c) IT & Office Equipment.

- (d) Purchase of Stationery Items.
- (e) Cleaning/Consumables Items.
- (f) Printing Works.
- (g) Vehicles and Equipment.
- (h) Souvenirs/Gift Items.
- (k) Misc Items.
- (l) Laboratory equipment*.

* P&LP Dte will facilitate/support the user School/Institution by preparation of financial CST, preparation of Contract Agreement, issuance of PO, keeping record of performance bond, record/release of earnest money.

7. Vetting and scrutiny of procurement cases of Research Projects Funds, Students Research Funds & Misc funding etc.

8. Auction of unserviceable equipment/stores is also being done by P&LP Dte.

Methods of Procurement

9. President LPC (Local Purchase Committee) will adopt the following course of action depending on the amount involved:-

a. **Spot Purchase - Purchases upto Rs 100,000/-:-**

- (1) Items will be purchased on single bill basis after verification of the market rates.
- (2) Items so purchased will be deposited with P&LP Dte along with the payment bill for taking on charge and issue to the section initiating the purchase.
- (3) Store Section will then prepare the contingent bill for recoument of fund from which cash has been drawn.

b. **RFQ - Purchases between Rs 100,000/- to 500,000/-:-**

- (1) If the amount for purchase of items exceeds **Rs 100,000/-**, quotations will be asked from at least three officially registered firms through a written request for forwarding their quotations through a sealed envelope in the name of President LPC.
- (2) Quotations will be opened in the presence of the members of the LPC who will sign them for authentication.
- (3) A comparative statement will be prepared duly signed by the President LPC and members.
- (4) President LPC will place Purchase Order (PO) to the selected firm.
- (5) On receipt of stores, members of the LPC along with the user will inspect the items/stores for correctness and final acceptance. President LPC will endorse his remarks on the minute sheet that the stores have been inspected and accepted.
- (6) Stores will be taken on ledger charge.
- (7) The minute sheet along with the bill will be forwarded to Fin Dte for payment to the firm.

c. **Open Tender - Purchase above Rs. 500,000/- to Rs. 3,000,000/-**

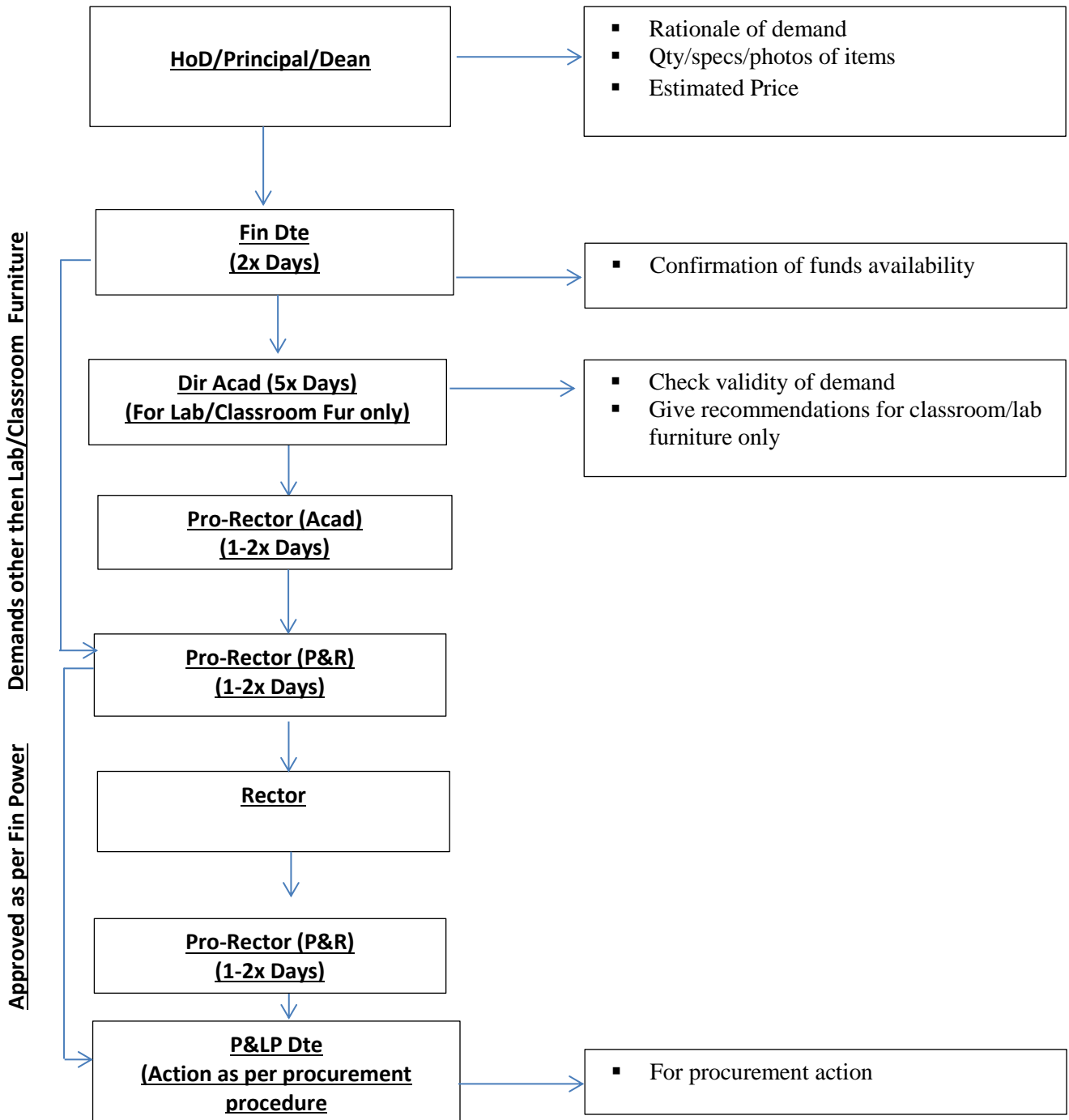
Procured through open tender by placing advertisement at NUST and PPRA websites.

d. **Open Tender - Purchase above Rs. 3,000,000/-**

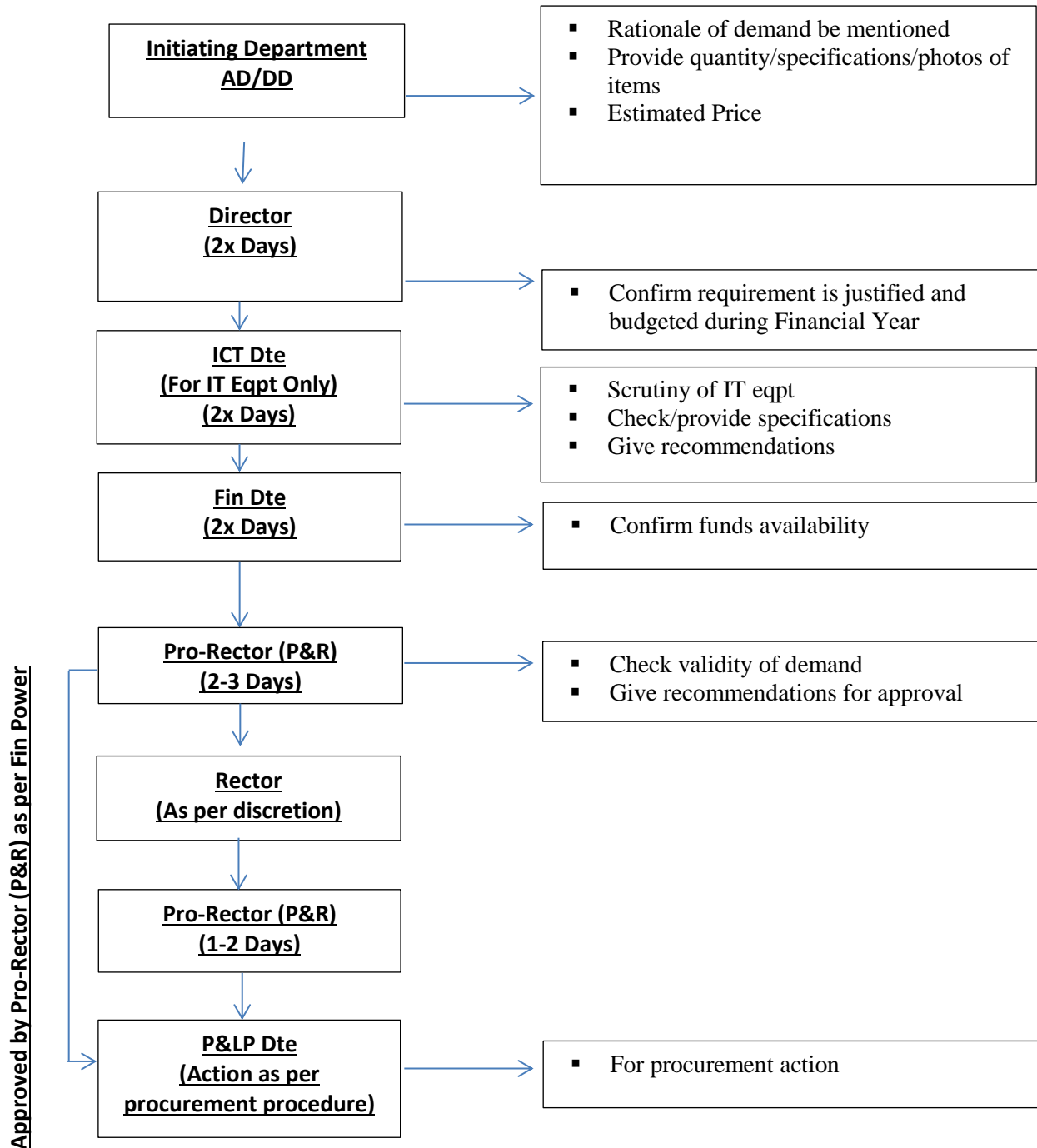
Procured through open tender by placing advertisement in 2x newspapers (1x Urdu and 1x English) in addition to NUST and PPRA websites.

10. Bids shall be sent by the suppliers in sealed envelopes addressed to the President LPC.
11. The suppliers may as far as possible, be given an opportunity to be present at the time of opening tenders. This rule shall not, however, confer any right on the suppliers in respect of consideration, acceptance or otherwise of his tender.
12. The number of tenderers to be considered for a work of supply, shall ordinarily be three or more. In case, the number of tenders received are less than three the competent authority may, if practicable, call for fresh tenders or decide upon the mode of making purchase on the basis of tenders or if no tender has been received, from the market through purchase Committee.
13. The authority empowered shall reserve the right to accept or reject any tender without assigning any reason.
14. A formal agreement on stamped paper shall be executed between the Director P&LP Dte on behalf of Rector and the contractor or the suppliers in the case of the works, provided the value of each work/stores amounts to Rs. 100,000/ and over:-
15. The agreement to be signed between the NUST and the contractors or suppliers shall ordinarily, follow the pattern given in Appendix 1 to the NUST Statutes (Vol. 11).
16. The earnest money to be deposited by tenderers shall be equal to 3% of the full value of work for purchase of items amounting to Rs 100,000/- and above. It will be retained for at least 3 months or if considered necessary for the period of warranty (as applicable). It will be released on expiry of this period after a satisfactory report is received from the concerned department.
17. Tax will be deducted from the payment of contractors as per prescribed Government Rules. Before payment is made, the inspecting authority/team shall certify that the work/item has been completed/supplied.

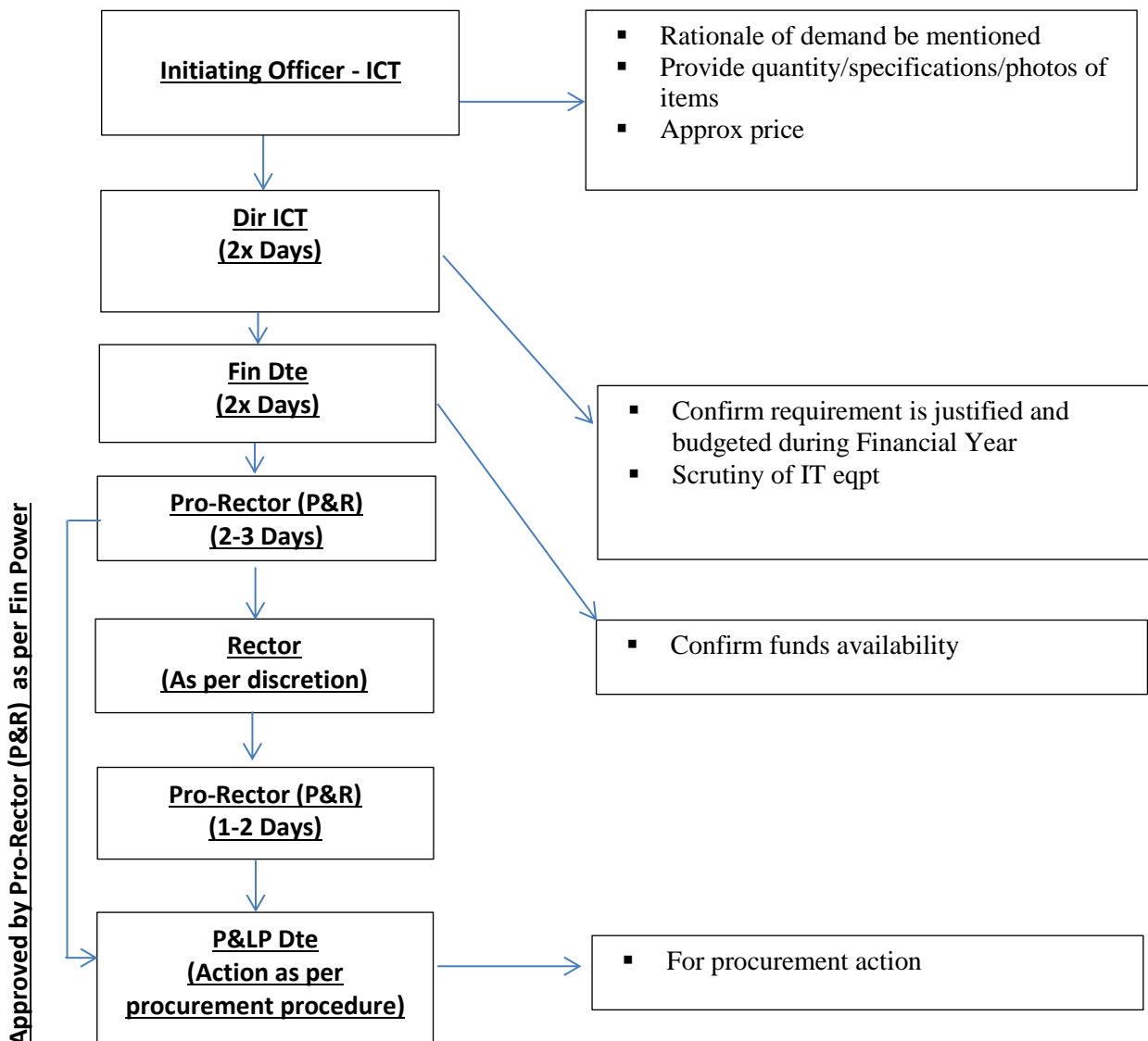
PROCUREMENT PROCESS FOR SCHOOLS FURNITURE, STATIONERY, CLEANING MATERIAL & MISC STORES



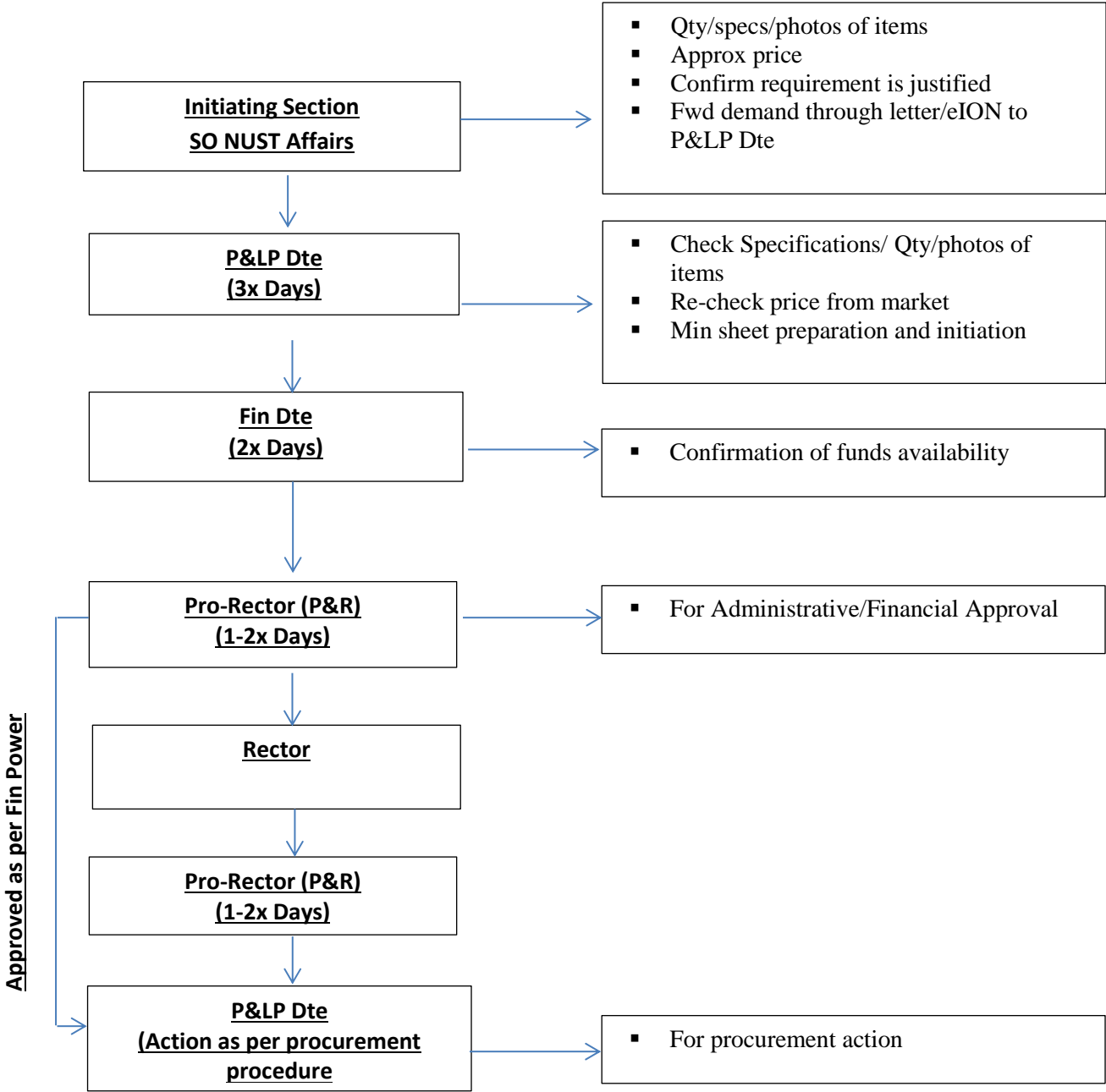
PROCUREMENT PROCESS FOR DTES



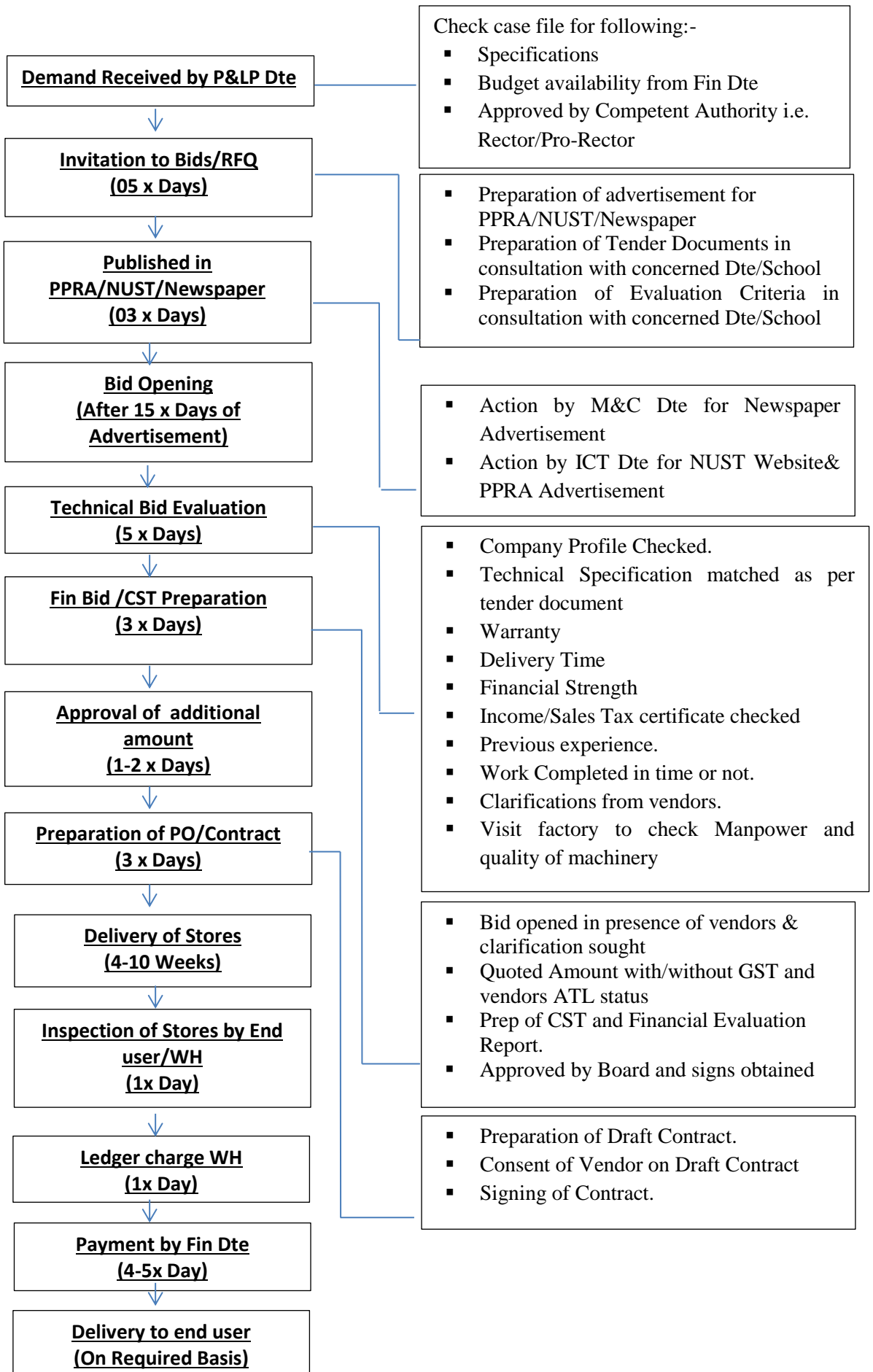
PROCUREMENT PROCESS FOR ICT INFRASTRUCTURE



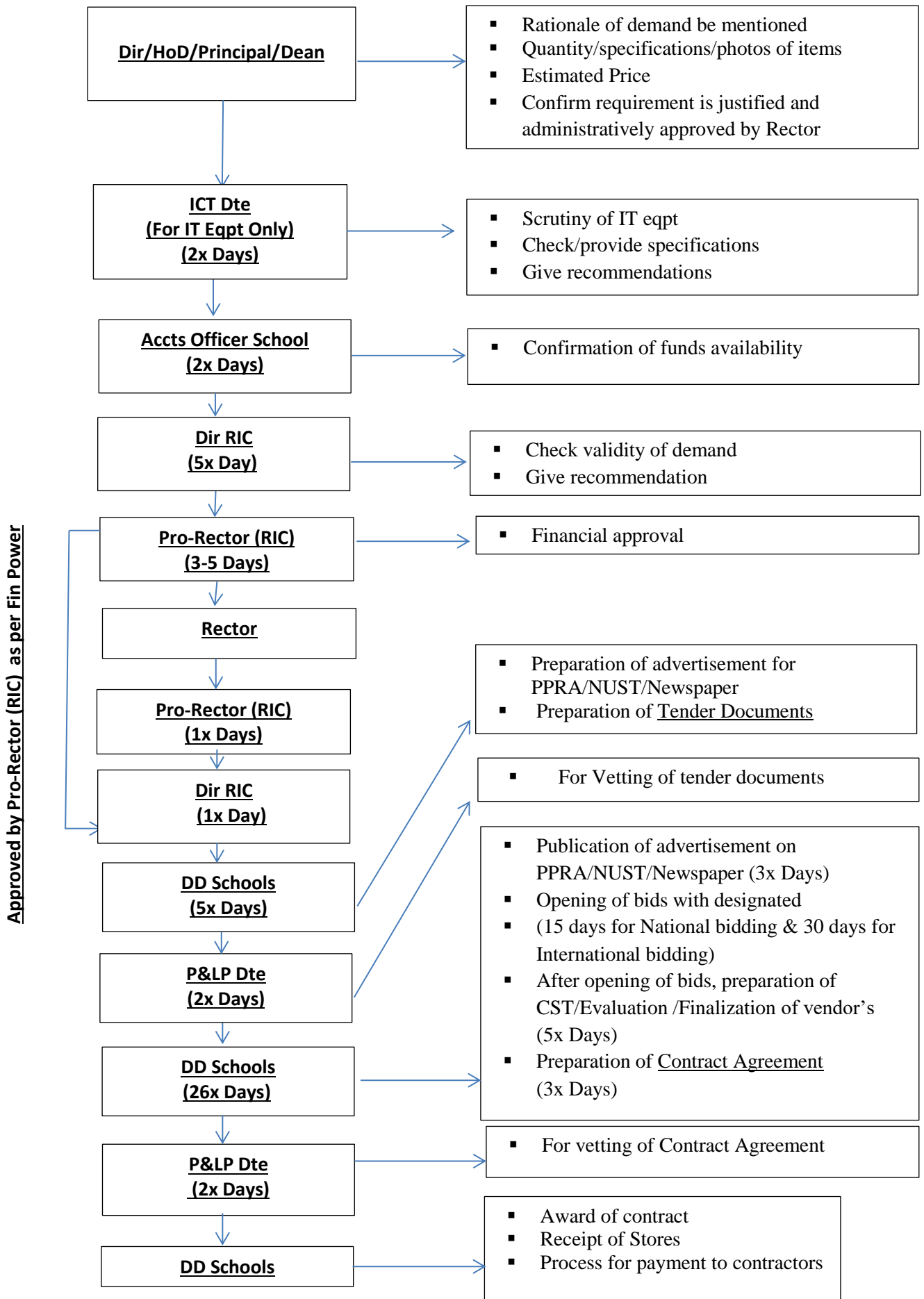
PROCUREMENT PROCESS FOR COLLEGES
(FURNITURE ONLY)



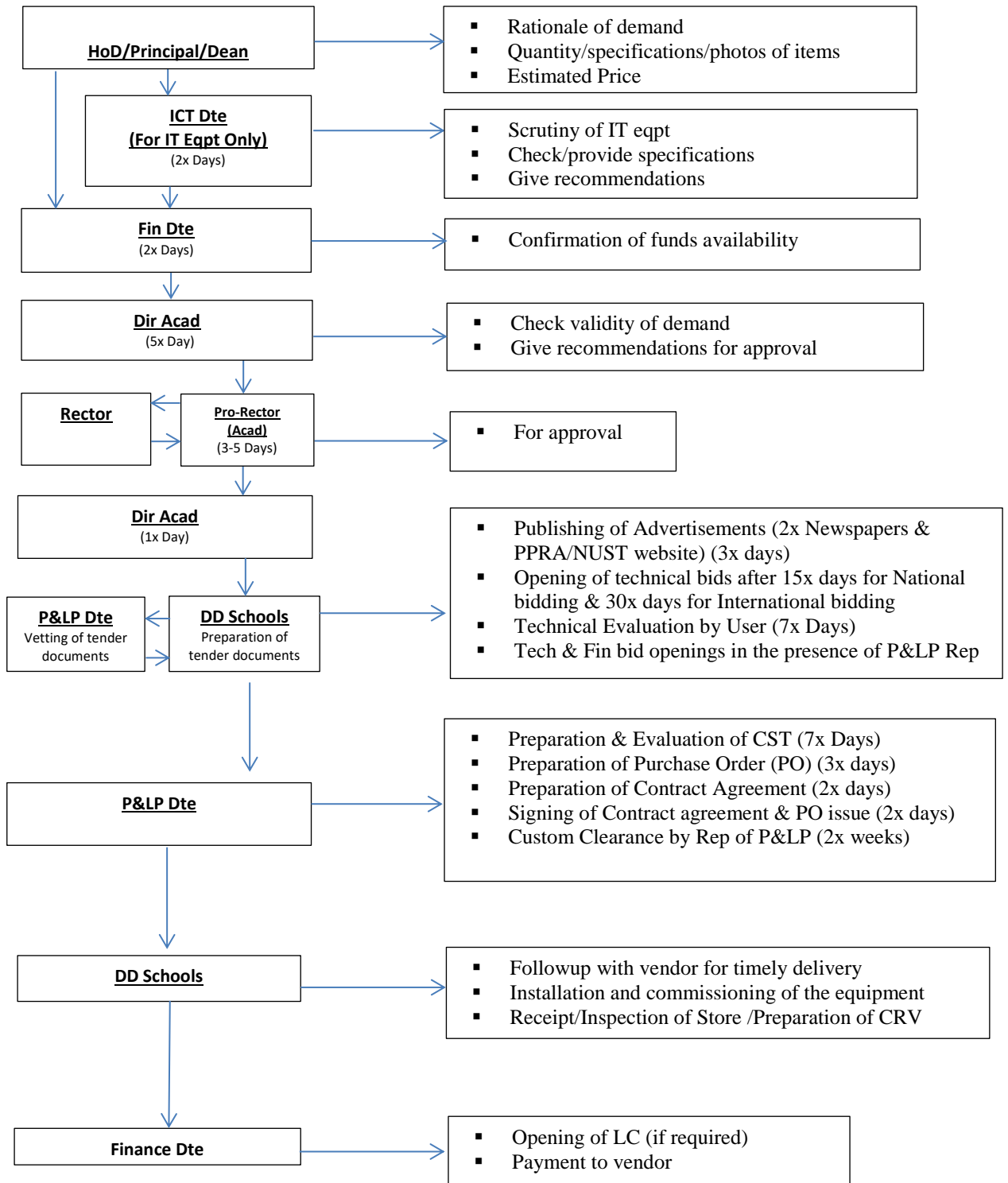
PROCUREMENT PROCESS BY P&LP DTE



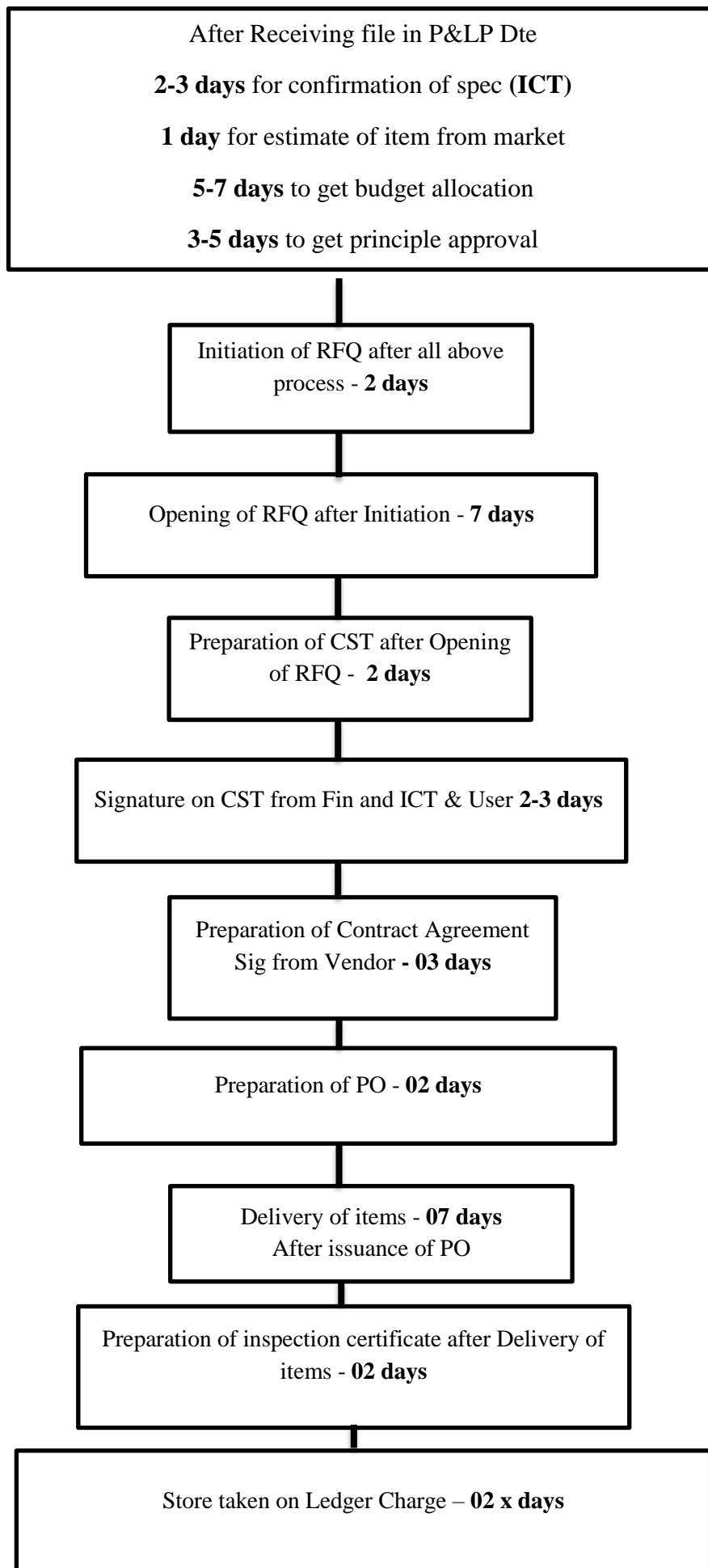
PROCUREMENT PROCESS OF RESEARCH EQUIPMENT BY SCHOOLS



PROCUREMENT PROCESS OF LAB EQUIPMENT BY SCHOOLS



RFQ Procurement Process



1. Direct Procurement of Lab Equipment by Schools through OEM

1. In foreign procurement efforts should be made to sign the contract directly with OEM for quality as well as economical reasons. Schools/Dte should carry out direct contracting under following conditions.
 - a. Acquisition of spare parts from OEM/Supplier.
 - b. Only one supplier/manufacturer exists.
 - c. Change of supplier would result compatibility issues.
 - d. Repeat orders do not exceed 15% of original procurement contract.
 - e. In emergency or special conditions (approval of appropriate fora for declaring an emergency).
 - f. When prices of goods/services are fixed by government/ authorized by Government on its behalf.
 - g. For Purchase of motor vehicles from local OEMs or their authorized agents.

2. Detail procedure is as followings:-
 - a. Schools will prepare Rational of demand along with justification for Purchase through OEM.
 - b. Acad Dte will technically review the demand and justification for purchase through OEM.
 - c. After availability of fund from Fin Dte, case will be sent to Pro-Rector Acad for approval.
 - d. After approval School will prepare contract agreement duly signed by the vendor /

concerned members of the Schools and forward case to P&LP Dte for purchase through OEM.

- e. POs will be issued by P&LP Dte, with copy to Finance & Acad Dte for their record.
- f. The Schools will keep liason with the vendor for follow-up regarding equipment delivery.
- g. P&LP Dte will facilitate custom clearance.
- h. For opening of LC and entry in Weboc, School will approach Fin Dte.

2. Opening of LC Opening of LC is responsibility of Fin Dte. Letters of Credit (LC) are widely used in international practice for convenience of international trade transactions and elimination of possible risks. Banks offers its customers various types of LCs.

- a. Main two types. Unconditional and irrevocable LC, conditional and revocable LC.
- b. Letter of Credit will be established by any scheduled bank through State Bank of Pakistan.
- c. LC must lay down the relevant terms and conditions of the contract.
- d. All taxes, duties and bank charges etc outside Pakistan will be borne by the suppliers and all taxes, duties etc in Pakistan will be paid by purchasers.

Custom Clearance Procedure

1. **Shipping Documents:** Custom clearance of Stores is responsibility of P&LP Dte. The shipping documents which supplier sends before shipment are as follows:-

- a. Airway Bill (AWB) or Bill of Lading (BL).
- b. Commercial Invoice.
- c. Packing list.
- d. IGM (Import General Manifest).
- e. Insurance documents.

2. On receipt of shipping documents, following procedure is adopted:-

- a. GD (Goods Declaration) is filed.
- b. GD appraiser at custom office verifies the amount of custom duty/tax as per HS code and PCT. The same amount has to be deposited in the bank.
- c. Additionally Port /Ware House handling charges are required to be paid within grace period.
- d. Customs clearance agents charges are required to be paid.
- e. Demurrage charges as per weight/dimensions if grace period expires.
- f. After payment of all dues, gate pass is obtained and stores are transferred to consignee premises.

NUST STATUTES

Annex F to Part-I of Para 120

FINANCIAL POWERS – Main Office NUST

S/No	Items	Sanctioning Power (in Rupees)							
		Board/ Committee	Rector	Pro-Rector	Registrar	Director Adm	Project Director	DD/AD Adm	DD C&M
1.	Requisition of Building for Offices, Guest Houses and Employees of NUST	-	Full Powers	1,50,000	-	1,00,000	-	-	-
2.	Re-appropriation of Funds within Sanctioned Budget	-	Full Powers	3,00,000	-	1,00,000	100,000	-	-
3.	<u>Purchase</u>								
	a. <u>Furniture & Equipment</u>								
	(1) New	-	Full Powers	3,00,000	-	1,50,000	1,50,000	20,000	-
	(2) Repairs	-	Full Powers	80,000	-	50,000	50,000	5,000	-
	b. Stationery	-	Full Powers	3,00,000	-	1,00,000	-	10,000	-
	c. Printing	-	Full Powers	3,00,000	-	80,000	-	10,000	-
4.	<u>Civil Works including Buildings</u>								
	a. New	Full Powers (Board)	1,00,00,000	30,00,000	-	1,00,00,000	2,00,00,000	-	200,000
	b. Repairs	-	Full Powers	5,00,000	-	100,000	400,000	-	100,000

Sanctioning Power (in Rs)						
S/No.	Items	Board/ Committee	Rector	Pro-Rector	Registrar	DD/AD Adm
5.	<u>Contingencies, Miscellaneous</u> a. Contingencies, miscellaneous expenditure, advance medical/ hospital charges, library etc b. Hiring services of transport, testing, Lab, consultants etc c. Financial Award for publication of research papers in journals of international repute, or any other achievement in the field of research which the Rector NUST may consider appropriate	- - -	Full Powers Full Powers 50,000	3,00,000 1,00,000 -	1,50,000 50,000 -	10,000 - -
6.	Electricity, Water & Telephone	-	Full Powers	3,00,000	1,50,000	20,000
7.	Motor Fuel & CNG (Gas)	-	Full Powers	2,00,000	1,00,000	20,000
8.	Disposal of Old Stock & Writing off Loss of Unserviceable Articles,	Full Power (Board)	5,00,000	1,00,000	50,000	-
9.	Training Local/Abroad	-	Full Powers	-	-	-