

# 28- SOP for Disposal of Unserviceable Material

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## CHAPTER – 1 INTRODUCTION

### 1.1 General

This Disposal Policy is intended to be used as a guideline for the disposal of unserviceable, scrap/obsolete material and to assign responsibility to various formations and individuals for the handling, inspection, pricing and documentation of disposable material.

The object of this policy is to arrange the disposal of material in the best interest of DISCO with minimum delay.

All disposal actions within DISCOs shall be governed by the provisions of this policy unless and until written instructions are issued by Chief Executive Officer of DISCO.

The Chief Executive Officer has the authority to amend/modify the DISCO's Material Disposal Procedure from time to time as needed.

Point(s) requiring clarification/ruling/advice may be referred to General Manager (Technical).

### 1.2 Definitions

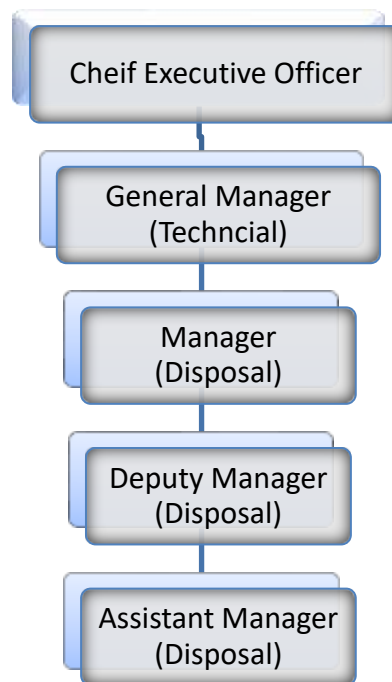
<b>‘Authority’</b>	Authority means the Chief Executive Officer of DISCO.
<b>‘Disposal’</b>	Disposal means the process of transfer by sale through tender, auction, negotiation or any other method stated herein of unwanted, obsolete, unserviceable and surplus serviceable material and vehicles to private party or parties or Government Departments or Autonomous Bodies from DISCO's store.
<b>‘Survey Report’</b>	Survey Report means a document which shows the description of disposable material and its reserve price, when completed authorizes the Disposal Directorate to begin the disposal process of the listed item (s).
<b>‘Stores’</b>	Stores mean all items which are stored in Warehouses / Regional Stores / Field Stores of DISCO for use within DISCO such as but not limited to; line material, vehicles, equipment, machinery, plants, tools, etc.
<b>‘Cannibalization’</b>	Cannibalization means removing serviceable parts from one item of equipment for utilization on another item of equipment.

**‘Reserve Price’**

Reserve Price means the approximate price of disposable stores to be used as a guide by the disposing agency. It is based on the intelligent guess keeping in view the market rates. It is only a suggested sale price.

**1.3 Disposal Directorate**

At present although the Disposal Directorate is under General Manager (Technical) of DISCO; yet it deals the disposal of unwanted stores belonging to all formations of DISCO.

**1.4 Policy and Principles of Disposal**

Disposable stores; whether scrap, unserviceable, obsolete but serviceable and unwanted stores form the blocked funds of the DISCO. They occupy valuable storage space, need care and vigilance, and are liable to pilferages, deterioration and consequently loss to the DISCO. As such, it is the bounden duty of every Store Owning Formation (SOF) to arrange their survey and disposal as soon as possible. Similarly, it is the basic duty of every officer to ensure that regular inspection and maintenance of vehicles, equipments, stores and plant on his charge is carried out to avoid deterioration and premature condemnation.

**1.4.1 Concept of Disposals**

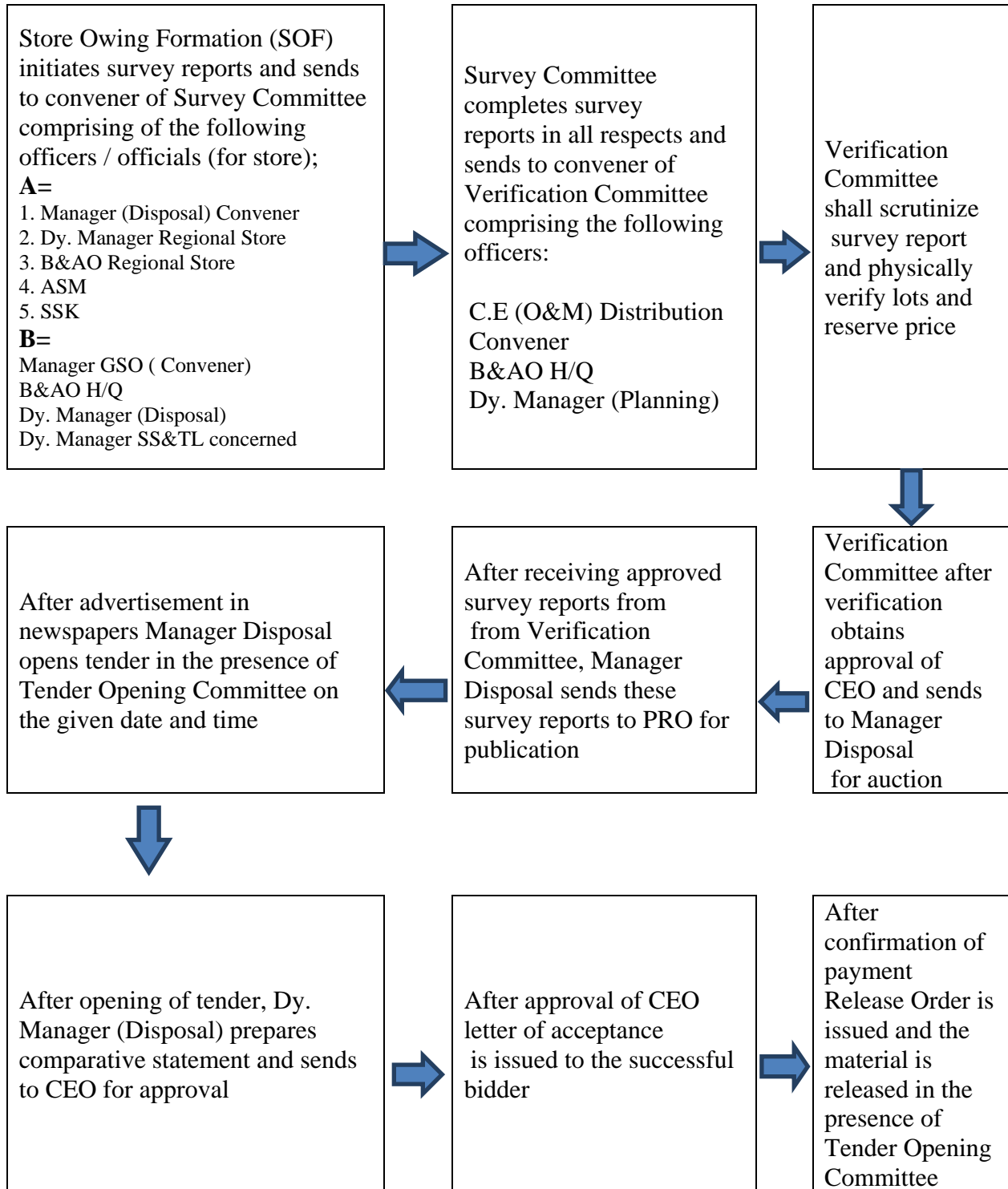
Disposal Sales should be treated as a Commercial Transaction. All decisions relating to the reserve price, acceptance and rejection of tenders and auctions or conclusion of Private Treaty should be executed from a commercial point of view and in the best economic interests of DISCO.

### 1.4.2 Principles of Disposal

Based on the above policy, principles and concept, all disposal actions in DISCO shall be guided by the following principles;

- a. Once declared unserviceable, beyond economical repairs or dead by DISCO, the material should be disposed off with minimum delay.
- b. Requirements of DISCO and government owned/controlled departments will normally be given the right of preference. In the case of departments other than DISCOs, the rates charged should compare favorably with the market trends at the time of disposal.
- c. Reserve price being a guide to Disposal Agency, it should be as near the prevailing market rate of similar material as reasonably possible.
- d. Mode of disposal adopted in any given transaction shall be determined by General Manager (Technical) taking into accounts the best interest of DISCO.
- e. Where Disposal Stores are established and functioning, stores other than vehicles and transformers should be shifted to the Disposal Stores and disposed off from there. This shifting should be effected as far as possible, without incurring extra expenditure.
- f. Where Disposal Stores are not functioning or the move to Disposal Stores is not administratively convenient or economically feasible, disposal will be arranged on site or at the nearest Warehouse, Regional Store / Field Store of DISCO as convenient and applicable.
- g. Prior to the verification, Manager Disposal/Convener Verification Committee may advise the Store owning formation to move smaller quantities of the store material equipment to a more convenient site. DISCO premises under the jurisdiction of the same SOF/Circle, If such moves would facilitate early disposal.
- h. All serviceable items shall be circulated to all DISCOs before publication of tender notices.
- i. As a rule, all serviceable items lying dead for three (3) years or less and determined obsolete regardless of its reserve price/value will require the approval of the General Manager (Technical) irrespective of the Reserve Price before disposal action.
- j. Specialized vehicles and equipment will only be disposed off after approval of the Chief Executive Officer/General Manager /Chief Engineer concerned.

## FLOW CHART OF DISPOSAL DIRECTORATE





## CHAPTER 2 – SURVEY OF DISPOSABLE STORES

### 2.1 General

- A. Prior to the survey of disposable material, the material/item must be evaluated to determine if the material/item is in fact repairable or not. All items serviceable, unserviceable, declared excess shall be transferred to Stores by the Field Formations. Survey Report is initiated by Store Owning Formation. A Survey Committee will be formed to decide which surplus and obsolete stores are no longer required in DISCO and require disposal.
- B. Manager of the Stores will arrange all surplus material and scrap by category for survey and inspection by the Survey Committee.

### 2.2 Survey Committee

Survey Committee may be a Standing Survey Committee formed by General Manager (Technical), or it may be a committee assembled for survey of a specific item (s).

- A. The Chief Executive Officer / General Manager (Technical) or their assigned officers of equivalent status shall have overall responsibility for the establishment of a Survey Committee and to ensure the timely disposal of unwanted stores.

The composition of a Survey Committee will be as follows;

#### a) For GSO Material

- |      |  |          |
|------|--|----------|
| i.   | Manager (GSO)                              | Convener |
| ii.  | Concerned Dy. Manager SS&TL Division       | Member   |
| iii. | Concerned Assistant Manager SS&TL Division | Member   |
| iv.  | B&AO H/Q                                   | Member   |
| v.   | Dy. Manager (Disposal)                     | Member   |

#### b) For Store Material

- |      |  |          |
|------|--|----------|
| i.   | Manager (Disposal)                     | Convener |
| ii.  | Dy. Manager Regional Store             | Member   |
| iii. | B&AO Regional Store                    | Member   |
| iv.  | Assistant Store Manager Regional Store | Member   |

#### NOTE:

DISCOs can add more members if considered necessary by the General Manager (Technical).

- B. The Survey Committee is responsible for;
- a. The assessment of the condition of stores, equipment and classification into one of the following categories.
    - i. Serviceable
    - ii. Unserviceable
    - iii. Scrap
  - b. Recommending disposal, if warranted by condition/age.
  - c. Preparing survey reports on the Proforma given as Exhibit '2-1'.
  - d. Fixing reserve price.
  - e. Obtaining approval from competent authority.

### **Instructions for Filling Survey Reports**

- C. Seven copies of this form will be prepared and distributed as indicated at the bottom of the form.

A separate survey report will be prepared for serviceable and unserviceable material

A separate survey report will be prepared for each category of material for example Iron, Copper, ACSR, and Wood etc.

The basis on which reserve price was set must be attached to survey report, if applicable.

Members of the Survey Committee and officers according approval should write their names in capital letter with their seal and signatures.

## **2.3. Burnt Meter Scrap, Used Transformer Oil and Other Waste Oils**

### **(a) Burnt Meter Scrap**

No Survey report of burnt meter scrap will be prepared unless the meter is declared defective unserviceable by M&T Lab, shifted to disposal store and be crushed to such extent so that its recycling may not be possible.

### **(b) Used Transformer Oil and other Waste Oils.**

Transformer and other waste oils shall be used by DISCO formation i.e. GSO or in odd circumstances it can be sold with the unserviceable transformers.

## **2.4 Assessment of Condition**

No hard and fast rule can be laid down for assessing condition of store material. However, the following guidelines are given in respect of various types of stores.

All store material to be surveyed shall be classified in one of the following on the basis of its condition:

- a. Serviceable  
New or used and serviceable.
- b. Unserviceable  
Beyond economical repair.
- c. Scrap  
The items are unserviceable and completed their useful life.

## **2.5 Reserve price**

- A. The Survey Committee is responsible for fixing the reserve price for the items recommended for disposal. Fixation of reserve price requires careful consideration of the market conditions at given time. The reserve price will be used as the basis for the acceptance or rejection of a bid through the tender or auction.

The following are some factors which must be considered prior to fixing the reserve price.

- i. Present condition and age serviceability or otherwise, cost of repairs (where applicable), cost of the parts, utility of the items/equipment.
  - ii. Current Market Trends for the same or items in similar condition or age.
  - iii. Location (including the likely expenditure to be incurred by the buyers in its removal, transportation, octroi, etc.).
  - iv. Storage Charges that DISCO may incur by non-disposal including watch and ward and rent for the storage accommodation etc.
- B. The above factors are subject to fluctuation. Consequently, no formula can be laid down to pinpoint the setting of an exact reserve price of the disposable stores.
- C. Reserve Price is an approximate guide for the disposing agency to evaluate the adequacy of the various offers received. The reserve price should NOT be interpreted as the only and/or final acceptable price.
- D. The Survey Committee shall attach to the Survey Report a written description of the basis used for setting the reserve price (where applicable e.g., in the case of disposable transformers and cables) as per Exhibits '2-2', '2-3' & '2-4' (for transformers) and '2-5' (for cables).

## **E. Filling Instructions for the Exhibits**

### **i) Exhibits ‘2-2’ & ‘2-3’ (for Distribution Transformers)**

These exhibits relate to the reserve price analysis of the disposable Distribution Transformers. Columns of these exhibits are self-explanatory. These exhibits are to be filled in and signed by the S.O.F in the light of the report of the Committee constituted from time to time for declaring the transformers as disposable or otherwise. These exhibits are also to be signed by the Dy. Manager M&T / Assistant Manager M&T.

### **ii) Exhibit ‘2-4’ (for Power Transformers)**

This exhibit relates to the price analysis of disposable power transformers. The columns of the exhibit are self-explanatory. This exhibit is to be filled in and signed by the S.O.F in the light of the report of the committee constituted from time to time for declaring the Power Transformers as disposable or otherwise. This exhibit is also to be signed by the officer given below:

a. Deputy Manager Protection and Instrumentation of the GSO Circle	When the disposable Power Transformer is lying in the jurisdiction of the GSO Circle concerned
--	--

### **iii) Exhibits ‘2-5’**

This exhibit relates to the price analysis of disposable cables. Necessary columns are provided to mention all the contents found in a one-meter length of the cable. Calculation of the reserve price is fully explained in the exhibit. The exhibit is to be filled in by the S.O.F and signed by the Officer Incharge of the Stores.

## **2.6 Approval and Distribution**

After assessment of condition, the Survey Report will be signed by the members of the committee and approved by DISCO authority exercising financial powers as given in Chapter 13 of this policy. Five (5) copies of the completed Survey Reports shall be sent to Manager (Disposal).

Stores which have once been reported disposable and for which a survey report has been sent to Chief Engineer (O&M) Distribution will not be utilized, released or disposed off in any manner without formal approval of General Manager (Technical).

**SURVEY REPORT**

- a) Report No. \_\_\_\_\_ dated \_\_\_\_\_
- b) Store owing formation. \_\_\_\_\_
- c) Location of Stores. \_\_\_\_\_
- d) Type of material \_\_\_\_\_

Item No.	Nomenclature	Specification /part No.	Unit of measure	Quantify	Unit Reserve Price	Total Reserve price

(Use Continuation sheet for additional items and for the basis of setting the reserve price, where applicable)

Condition of stores \_\_\_\_\_

Reason for declaring disposable \_\_\_\_\_

Members of survey committee

Sr. No.	Name	Title	Signature	Date
1				
2				
3				
4				
Approved By				

Date \_\_\_\_\_

### VALUE OF 100% COMPONENTS

Sr. No.	Capacity kVA	HT/LT Windings	Core Laminations	Tank / Body	Lump Sum Value of other Components	Total Value	Remarks
a	b	c	d	e	f	g	h

**Deputy Manager / Assistant Manager (M&T)**

**RESERVE ANALYSIS OF UNSERVICEABLE DISTRIBUTION TRANSFORMERS**

Ref. Survey Report No. \_\_\_\_\_ Name of S.O.F \_\_\_\_\_ Lot No. \_\_\_\_\_

Dated \_\_\_\_\_ Location \_\_\_\_\_ Color Code \_\_\_\_\_

Sr. No.	CAPACITY (kVA)	MAUNFACTURE'S NAMCE	MANUFACTURE'S No.	PERCENTAGE AVILBALE & CONDITION OF COMPONENTS				TANK BODY CONDITION	COST OF AVAILABLE COMPONENTS IN ACCORDANCE WITH EXHIBIT 2.2				TOTAL RESERVE PRICE (j+k+l+m)	REMARKS
				HT/LT WINDINGS		CORE LAMINATION			HT/LT WINDINGS	CORE LAMINATION	TANK BODY	OTHER COMPONENTS		
				%AGE AVAILABLE	CONDITION	%AGE AVAILABLE	CONDITION							
a	b	c	d	e	f	g	h	i	j	k	l	m	n	o

\_\_\_\_\_  
Store Owing Formation

\_\_\_\_\_  
Deputy Manager / Assistant Manager (M&T)

**ANALYSIS OF RESERVE PRICE OF THE POWER TRANSFORMER**

Ref. Survey Report No. \_\_\_\_\_ Dated \_\_\_\_\_ Name of S.O.F \_\_\_\_\_

Location \_\_\_\_\_ MVA Rating \_\_\_\_\_ Voltage Ratio \_\_\_\_\_ Manufacture's Name \_\_\_\_\_

Manufacture's No. \_\_\_\_\_ Year of Purchase \_\_\_\_\_ Date of Damage \_\_\_\_\_

Sr. No.	Description	Weight / No. as per specifications	Weight / No. Physically available	Rate per kg/ No.	Total reserve price (Rs.)

1. Core windings ( HV, LV & Tertiary )
2. Core laminations
3. Tank and tubes
4. Platform
5. Transformer bushings
6. Cooling fans
7. Other major components
8. Other minor components (if any)

Grand Total (Rs.) \_\_\_\_\_

\_\_\_\_\_  
**Signature**  
**Officer Incharge of the Store**  
**(SOF)**

\_\_\_\_\_  
**Signature**  
**Deputy Manager**  
**Protection and Instrumentation**



**RESERVE PRICE ANALYSIS OF CABLE WITH REFERENCE TO**

Survey Report No. \_\_\_\_\_ Dated \_\_\_\_\_

At Sr. No. \_\_\_\_\_ Belonging to (Name of S.O.F) \_\_\_\_\_

Sr. No.	Description of cable	Weight of Copper contents (kg)	Wight of Aluminum contents (kg)	Weight of Iron/ Steel contents (kg)	Weight of PVC Insulation (kg)	Weight of other Insulation (kg)	Remarks
1	2	3	4	5	6	7	8

**Calculation of the Reserve Price**

- a. Cost of \_\_\_\_ (kg) Copper contents @ Rs. \_\_\_\_ per Kg. =Rs. \_\_\_\_\_
- b. Cost of \_\_\_\_ (kg) Aluminum contents @ Rs. \_\_\_\_ per Kg. =Rs. \_\_\_\_\_
- c. Cost of \_\_\_\_ (kg) Iron/Steel contents @ Rs. \_\_\_\_ per Kg. =Rs. \_\_\_\_\_
- d. Cost of \_\_\_\_ (kg) PVC Insulation @ Rs. \_\_\_\_ per Kg. =Rs. \_\_\_\_\_
- e. Cost of \_\_\_\_ (kg) other insulation @ Rs. \_\_\_\_ per Kg. =Rs. \_\_\_\_\_
- f. Total cost of meter length of the cable (a+b+c+d+e) =Rs. \_\_\_\_\_
- g. Less the cost involved in peeling the cable. (-)=Rs. \_\_\_\_\_
- h. Net cost of one meter of the cable (f-g) =Rs. \_\_\_\_\_

---

**SIGNATURE OF THE OFFICER INCHARGE OF STORE**

## **CHAPTER 3 – INSPECTION AND VERIFICATION**

### **3.1 General**

Survey Reports are often prepared and forwarded by the Store Owning Formation but are defective or of mixed categories or endorsed by an inadequately composed Survey Committee. To ensure compliance with this policy and the rules applicable, all lots need to be verified by a party other than the S.O.F.

A Verification Committee shall be constituted under the convenership of Chief Engineer (O&M) Distribution for this purpose. The Verification Committee shall carry out a third party check of the Stores included in a Survey Report prior to the disposal of an item unless otherwise stated in writing by the S.O.F. Verification of the material (descriptions, quantities and values) listed on the Survey Report shall be carried out by the Verification Teams on receipt of the Survey Reports in the office of General Manager (Technical). The Verification Teams may also initiate the preparation of the Survey Reports during its inspection/verification visits of S.O.F. If the detailed verification of the lot is carried out by the team in the absence of the Manager/Deputy Manager at least two members of the Team will do the checking in the presence of the Store Officer or his representative. After the verification, officer incharge of the store and the checking team will affix their signatures on the Verification Reports.

### **3.2 Functions of the Verification Committee**

- a. The Survey Reports of all disposable material excluding vehicles/heavy mobile machinery shall be inspected and verified by the Verification Committee.
- b. Manager / Dy. Manager (Disposal) shall check the general correctness of the Survey Report i.e. composition of the Survey Committee, approval by the competent authority, location, analysis of the reserve price (where applicable) and mode of verifying the measure/weight or the reasons for not doing the same and completion of the verification report. Manager / Dy. Manager (Disposal) will satisfy himself of the check and verification by his team and also endorse his signature on the Verification Report. If considered necessary, he may also carry out a full or part verification of the Stores/Material before affixing his signature.
- c. After lot verification by the Verification Team, no issue, addition or cannibalization of the stores is allowed without prior approval of General Manager (Technical) / competent authority.
- d. Completed survey reports together with the verification report will be distributed as under.
  - (i) Disposal Directorate.
  - (ii) General Manager (Technical)/Manager concerned.
  - (iii) Deputy Manager/Stores Officer concerned.
  - (iv) Respective Chief Auditor/Deputy Chief Auditor for scrutiny of the documents.
  - (v) Office copy for record.

- e. If the verification work was under-taken, simultaneously along with the preparation of the survey report, the completed verification report will not be issued, until and unless the survey report is completed by the survey committee and the approval of the Chief Executive Officer is obtained.
- f. The Survey reports of unattractive disposable material i.e. tubes, tyres and batteries, wooden scrap is authorized to the store owning formation for sale through committee.
- g. If the interval between the preparation of verification report and the approval by the competent authority of DISCO exceeds six months then the survey report will be verified afresh.

### **3.3. Duties of Field Verification Teams**

- a. Ensure that the survey report has been prepared properly.
- b. Ensure that the survey report is signed by the Survey Committee according to the Disposal Procedure and duly approved by Chief Executive Officer.
- c. Ensure that the written basis for the determination of the reserve price is attached to the Survey Report (where applicable).
- d. Ensure that the major contents of the material to be disposed off are specifically mentioned in the Survey Reports by the S.O.F.
- e. To verify the quantity of the Stores to be disposed when actual quantities cannot be determined without incurring extra costs the verification report is to be endorsed “only lot verified” so that actual weightage is done under proper supervision of a Release Committee constituted for the purpose at the time of material at the cost and labour / transport of the successful bidder.
- f. Verification Team is authorized to make corrections / amendments to the survey report when written justification is presented and concurrence is received from the S.O.F / Chief Executive Officer. All revisions to the Survey Report will be reviewed by the convener of Verification Committee prior to initiating the disposal process and must be attached to the applicable survey report.
- h. All corrections to the Survey Report must be authenticated under signature of the convener of the Survey Committee/Officer incharge of the Stores.
- i. The field team will prepare verification report on Exhibit ‘3-1’ in token of completing the verification job.

## INSPECTION/VERIFICATION OF STORES

of \_\_\_\_\_

(1) Site at \_\_\_\_\_

(2) Verification Report No. \_\_\_\_\_

(3) Dated \_\_\_\_\_

Sr. No.	Survey Report No. & Date	Nomenclature	Quantity as per survey report	Quantity verified	Discrepancies	Survey report reserve price	Remarks
	4	5	6	7	8	9	10

(11) **Members of Verification Team:** (12) **Officer In charge Store (SOF)**

	Name	Title	Signature	Date	Name	Title	Signature	Date
(i)	_____	_____	_____	_____	_____	_____	_____	_____
(ii)	_____	_____	_____	_____	_____	_____	_____	_____
(iii)	_____	_____	_____	_____	_____	_____	_____	_____
(iv)	_____	_____	_____					

**Distribution:**

- (a). Disposal Directorate
- (b). General Manager (Technical) / Manager concerned
- (c). Dy. Manager / Store Officer concerned.
- (d). Respective Dy. Chief Auditor,
- (e). Office copy for record

## **Instructions for filling Verification Report**

This form is to be prepared in five (5) copies and distributed to the listed offices and shall be filled according to the instructions given below:

- i. Enter the name of the store owning formation and the location of the verified material.
- ii. Enter the unique serial number assigned to this document from the Verification Log Register as maintained by the Verification Committee.
- iii. Enter the date on which the Stores are verified.
- iv. Enter the Survey Report Number and Date of the item/items verified.
- v. Enter a brief description of store verified.
- vi. Enter the quantity as indicated in the Survey Report.
- vii. Enter the quantities actually verified.
- viii. List a brief description of any discrepancies which may be found for the store verified.
- ix. List of reserve price as stated in the Survey Report.
- x. Enter any other remarks.
- xi. Each member of the verification team shall print his name, title, sign and date on the form.
- xii. Obtain the signatures of the Officer Incharge of the store on the Verification Report as the token of joint inspection/verification.
- xiii. Enter the name, signature, date, of Member / Convener of Verification committee according to Para '3.2 b'.

## **CHAPTER 4 – SRUVEY OF VEHICLES/HEAVY MOBILE MACHINERY (H.M.M)**

### **4.1 General**

All DISCOs must ensure that their Vehicles/H.M.M are maintained regularly and properly under the supervision of responsible officers/officials. Without an efficient system of maintenance, it would be impossible to conserve DISCO's valuable resources of transport. The object of this chapter is to extend guidelines and to assign responsibility to various formations for the speedy disposal of vehicles/H.M.M in the best interest of Company.

### **4.2 Responsibilities of the Vehicles/H.M.M. Owing Formation**

- a. It is the responsibility of the Vehicles/H.M.M owning formation to ensure that the four (4) copies of survey reports Exhibit '2-1' along with Exhibit '4-1' of vehicles/H.M.M which are beyond economical repair are initiated and sent to the Manager Transport (3 copies) and Convener Verification Committee (one copy) promptly but not later than two months after being beyond economical repair. This will facilitate the Manager Transport (President of the Condemnation Board) to finalize the survey report of the Vehicles/H.M.M during his visit for the purpose. The officers incharge of the Vehicles/H.M.M are expected to keep on pursuing till final disposal of Vehicles/H.M.M.
- b. All formations must take the notice of the quarterly schedule program (as given in succeeding paras) of the Condemnation Board and ensure all possible coordination and assistance to the Condemnation Board so that the survey reports of all Vehicles/H.M.M. awaiting disposal are finalized in the program.

### **4.3 Role of Verification Committee**

On Receipt of the Survey Report a file of the Vehicle/H.M.M will be consulted by the Verification Committee for the coordination and persuasion. The verification teams will get the survey reports prepared during their tours to the areas.

### **4.4 Condemnation Board**

Condemnation Board is the standing survey committee to survey off the Vehicles/H.M.M. The composition of the Board is as under:

- |    |  |                     |
|----|--|---------------------|
| a. | Manager Transport  | President /Convener |
| b. | A Grade 18 Officer of the Vehicle/H.M.M Owing Formation<br>(Preferably a Mechanical Engineer)                | Member              |
| c. | B&AO of the Vehicle/H.M.M. Owing Formation/Divisional<br>Accountant (where the formation does not have B&AO) | Member              |
| d. | Deputy Manager Transport of the region.  | Member              |

- e. Deputy Manager (Technical)/Auto  
Supervisor of Transport Directorate

Member

#### **4.5 Responsibilities of the Condemnation Board**

Manager Transport (President of the Condemnation Board) will issue a program for inspection and survey of the Vehicle/H.M.M which will be held on quarterly basis every year. The Condemnation Board will ensure that the survey reports of the Vehicle/H.M.M. awaiting disposal are finalized in the program of that quarter.

The Condemnation Board will ensure that the Vehicles/H.M.M produced for condemnation by the formation have not only run their prescribed life but are beyond economical repair. Where the Board spots “unfair wear and tear” or “willful damage” on the part of vehicle owning formation to a particular Vehicle/H.M.M. a report will be initiated against the concerned formation to their respective General Manager for necessary action against the defaulters.

#### **4.6 Assessment and the Approval of the Reserve Price**

Manager Transport shall make all possible arrangements for quick disposal of Vehicle/H.M.M. One of the major reasons delaying the disposal of Vehicle/H.M.M is the assessment of unmatching reserve price with the conditions of Vehicle/H.M.M and its demand in the market. In case of unrealistic reserve price, the disposal through tender/auction (which takes a couple of months) does not fetch the matching offer. Obviously, the unmatching offer has to be rejected. Even subsequent attempts for sale will not work. The ultimate solution is the realistic revision of the reserve price.

Therefore, the Condemnation Board is directed to consider the importance of the reserve price and the same should be assessed carefully and intelligently keeping in view the information provided in the survey report. The Manager Transport will approve the survey report of Vehicle/H.M.M. exercising the financial powers delegated to him/her by the DISCO's Book of Financial Powers amended up to date. The completed survey reports of Vehicles/H.M.M. (exhibits 2-1 & 4-1) shall be distributed as indicated at the bottom of Exhibit ‘2-1’.

#### **4.7 Permission for use of vehicle under disposal for a short period.**

At the time of inspection by Manager Transport the Store Owing Formation (in rare cases) may seek permission of the Manager Transport intimating the exigencies of service to continue the use of the vehicle under disposal for a short time. The Manager Transport may accord permission to continue the use of the vehicle with minor repairs only (no heavy expenditure should be incurred on major repair in any case) for a maximum period of six (6) months or till the procurement of replacement vehicle whichever is earlier. The

procurement of replacement vehicle automatically ceases the permission of further use of vehicle under disposal irrespective of the period allowed.

Manager Transport will finalize the survey reports of vehicles and endorse his permission, if such permission is granted, for continuing the use of vehicle for the period allowed by him.

Manager Transport shall issue one (1) copy of permission for continuing the use of vehicle for the period allowed by him. He/she shall issue one (1) copy of the survey report to the Store Owning Formation and retain the copy of the Manager Disposal till the Store Owning Formation informs about the procurement of replacement vehicle or expiry of the period allowed by him. It is the duty of the Store Owning Formation to inform immediately about the procurement of replacement vehicle to the Manager Transport and stop forthwith the use of vehicle under disposal.

As soon as the Store Owning Formation informs the Manager Transport about the procurement of replacement vehicle or the permission for continuing the use of vehicle expires the Manager Transport will forward the copy of the survey report (Earlier retained) to the Manager Disposal for sales action.



**PARTICULARS OF DISPOSABLE VEHICLE**

1. Registration No. of the vehicle. \_\_\_\_\_
2. Registration documents available \_\_\_\_\_  
Token paid up to \_\_\_\_\_
3. Registration Documents not available \_\_\_\_\_
4. Purchase Price \_\_\_\_\_
5. Did the Vehicle meet major accident? \_\_\_\_\_
6. Month and year of going the vehicle off road \_\_\_\_\_
7. Make \_\_\_\_\_ Model \_\_\_\_\_  
Total Mileage / Km covered \_\_\_\_\_
8. Engine No. \_\_\_\_\_ Chassis No. \_\_\_\_\_
9. Capacity of the engine \_\_\_\_\_
10. Engine Petrol/Diesel \_\_\_\_\_ (Write whichever is applicable)
11. Condition of the engine. \_\_\_\_\_
12. Over all condition of the body \_\_\_\_\_
13. Wind Screen. Available/not available/broken \_\_\_\_\_  
(Tick & Initial whichever is Applicable)
14. Doors Available/Not available/  
Lying dismantled/Partly available - do –
15. Door Glasses: Available / not  
available/broken - do –
16. Steering Assembly: Available/Not  
Available/Partly available - do –
17. Condition of the Dash Board \_\_\_\_\_
18. Gauges: Available/Not available/  
Partly available. \_\_\_\_\_  
(Tick & Initial whichever is Applicable)
19. Overall condition of the seats:  
Satisfactory/Not available/Partly Available -do-
20. Condition of the Tires \_\_\_\_\_
21. No. of Tires with rim available \_\_\_\_\_
22. Details of T&P \_\_\_\_\_
23. Battery Available/Not available (Tick & initial whichever is applicable)
- 24. Accessories of the Petrol Engine**  
Self-start, Dynamo/Generator, (Strike off and initial all missing accessories)  
Cut-out, Carburetor, Distributor,  
Radiator, Radiator fan assembly,  
Air Cleaner assembly, Ignition Coil.

- 25. Accessories of the Diesel Engine.** (Strike off and initial all missing accessories)  
 Self-starter, Dynamo/Generator,  
 Cut-out, Radiator, Radiator fan  
 Assembly, Air Cleaner assembly, Fuel injection  
 Pump, Injectors (Atomizers).  
 Heater Plug
26. Gear Box Available/Available with (Tick & Initial whichever is applicable)  
 Broken casing/Not available
27. Differential Unit Complete - do –  
 Available/available without driving  
 Shaft/Only driving shaft available/  
 Complete unit missing.
28. Suspension System Complete - do –  
 Available/Not available/Partly  
 Available
29. Road spring Assembly Complete - do –  
 Unit available/partly available/  
 Not available
30. Shock absorbers Available/Not - do –  
 Available/Only one available
31. Head light available/Not  
 Available/Broken

**NOTE:**

Urdu translation of this exhibit must be officially given to the Watchman (Chowkidar) and he should be instructed to ensure the safe custody of vehicle and its accessories. Notice served to the Watchman (Chowkidar) vide No \_\_\_\_\_ Dated \_\_\_\_\_

\_\_\_\_\_  
**Signature  
 of driver  
 concerned**

\_\_\_\_\_  
**signature of  
 sub-engineer/  
 L.S. concerned**

\_\_\_\_\_  
**Countersignature  
 Assistant Manager of the  
 Vehicle Owning Formation**

## **CHAPTER 5-DISPOSAL DIRECTORATE**

### **5.1 General**

Disposal Directorate processes the sale of the stores listed in the survey reports. Missing accessories of any item, damage to it, shortage of the stores, premature condemnation, and excess purchase/purchase of sub-standard stores is the sole responsibility of the Store Owning Formation. The responsibility for taking any administrative/disciplinary action rests with the Store Organization concerned. The Disposal Directorate has no role in conducting any sort of enquiries in this regard.

Survey Reports duly verified are received from Verification Committee and Transport Directorate. General Manager (Technical) / Manager Disposal will decide the mode of disposal in the best interest of Company.

### **5.2 Modes of Disposal**

The unwanted stores will be disposed off through any of the following methods:

- Right of first choice
- Advertised tender
- Public auction
- Negotiation
- Private treaty
- Rate contract

The disposal process must commence promptly on receipt of the Verification Report.

### **5.3 Right of First Choice**

- A. To ensure maximum economic utilization of disposable stores, a list of all serviceable stores which has been declared disposable shall be circulated to all Chief Executives DISCOs by the Disposal Directorate, giving a period of thirty (30) days for sending their demands before initiating the disposal action.
- B. Right of first choice is given to DISCOs/WAPDA Formations.
- C. Upon receipt of request from interested formation the Manager Disposal shall issue a letter authorizing the Store Owning Formation to release the material listed to the interested formation. The Store in charge will issue the material to interested DISCO / WAPDA formation on approved Reserve Price.
- D. Under special circumstances right of the first choice can be extended by General Manager (Technical) to Central/Provincial Government Departments and Autonomous/Semi-Autonomous Bodies. The stores will be transferred on at least 125% of the approved Reserve Price.

## **5.4 Advertised Tender**

All disposable stores must, except as stated in para 9.3, be advertised in the press through the Deputy Manager (Public Relations) at least fifteen (15) calendar days prior to opening of tender. However, due to administrative exigencies and under special circumstance which must be documented and approved by General Manager (Technical). Manager (Disposal) may issue short tender notice giving not less than seven (7) days. The tender procedure is outlined in Chapter '6'.

## **5.5 Public Auction**

When disposable material is to be sold through public auction to fetch better sale prices, the auction program giving the description of material, place and date is advertised through newspapers. The auction is conducted as per schedule advertised in the newspapers. Chapter '7' outlines the Auction Procedure.

## **5.6 Negotiations**

A disposable item may be sold through the negotiation process, if the bids offered through tender/auction are not reasonable and below the prevailing market price. Chapter '8' outlines the Negotiation Procedure.

## **5.7 Private Treaty**

An item may be sold through a private treaty when authorized by the competent authority of DISCO if an item has not been sold through the tender/auction or the item is so specialized that only one party would be able to utilize the disposable item. Chapter '9' outlines the Private Treaty Procedure.

## **5.8 Rate Contract**

In case of certain material that has a recurrent flow into the stores of the S.O.F. and whose market prices do not often fluctuate or whose long retention in the S.O.F is not desirable because of fast deterioration or fire hazard like used batteries, waste paper or other waste material, it will be economical and more practicable to enter into a standing Rate Contract with the interested parties. Chapter '10' outlines the Rate Contract Procedure.

## **CHAPTER 6 – TENDERING PROCEDURE**

### **6.1 General**

Normally all stores declared disposable and not transferred/issued to a DISCO / WAPDA formation shall, within thirty ‘30’ days of declaration, be disposed off through tender/auction.

The following points must be checked before the advertisement of a Tender:

- (a) Survey Reports are properly verified. There is no arithmetical or other error liable to be disputed later.
- (b) Correct location of stores is specified.
- (c) Category, Quantity and Specification are defined.
- (d) In case of large lots of the disposable stores involving weighment, (where only visual assessment has been made at the time of verification to save DISCO’s extra expenditure for such weighment). Manager Disposal shall float the tenders for the verified quantity of disposable stores on the basis of unit rates. The tenderers, on receipt of letter of acceptance will be required to pay the total cost of the verified quantity at the quoted unit rate. The total cost will be adjusted on the basis of actual quantity delivered.
- (e) Unit of measure and the quantity are specified. Otherwise, the stores should be defined as the Lot on “as is where is basis”.
- (f) Circulation has been made, in case of serviceable items.

### **6.2 Terms and Conditions of Tender**

These should specify all the conditions binding on the parties to the tender viz;

- (a) Date of opening of the tender.
- (b) That the General Manager (Technical) / Manager (Disposal) reserves the right to reject any lot of the tender as a whole, without assigning any reason.
- (c) That the Tender Notices may be cancelled altogether, if required due to exigencies of service or the requirements of DISCO. Before a tender is cancelled written justification must be prepared for the office record and approved by the General Manager (Technical). In such cases cost of tender shall be refunded.
- (d) That an invitation of a tender does not constitute any liability on the part of DISCO.
- (e) If there is any dispute regarding description of the stores, the decision of the General Manager (Technical), after verification, shall be final and binding on the bidders.
- (f) As a rule, stores of a lot are sold on ‘as is where is basis’ and no dispute thereon is entertained.
- (g) Disputes on obvious exceptions shall not be considered. For example;
  - i. When conductor reels are sold it will not include the conductor wound on them and vice versa unless otherwise stated.

- ii. When a vehicle is sold, it will not include any stores temporarily found loaded in them.
- iii. When damaged transformers are sold, it is not implied that all the components are intact or the transformer is serviceable or complete.

### **6.3 Other Miscellaneous Requirements**

- (a) Each page of the Tender on which rates are quoted shall be signed by the bidder.
- (b) Stores, irrespective of description are generally sold on “as is where is basis”. Therefore, instructions should be forwarded to the bidder to inspect and satisfy himself regarding the type, quantity and condition of the stores for which he is bidding. Failure to inspect the disposable goods will not be advanced as a plea in any claim.
- (c) Tenders shall be sent in a sealed cover with the following clearly written thereon:  
Tender No \_\_\_\_\_  
Date of Opening \_\_\_\_\_ Time \_\_\_\_\_ a.m/p.m
- (d) Each tender shall specify whether stores are to be sold on the basis of unit rates or as a lot.
- (e) Unit of measurement i.e. quantity, Weight and Length shall be specified so that the price of actual deliveries can be adjusted.

### **6.4 Advertising Tenders**

The Manager (Disposal) will send the tender notices to the Deputy Manager (Public Relations), who is responsible for advertising tenders for the disposal of unwanted material.

The following information must be included in the advertisement.

- Tender Number
- Description of item to be disposed
- Unit of measure
- Quantity of item to be disposed
- Location of material
- Name of organization to be contacted for inspection
- Opening date and time of tender
- Earnest money
- Cost of tender
- Last date and location where bids will be received
- Conditions of sale such as: Stores are sold on “as is where is basis”

The price of tender document shall vary with the Reserve Price of the stores as under.

<b>Reserve Price of the stores</b>	<b>Price of Tender Documents</b>
Up to Rs. 1,00,000	Rs. 500
Up to Rs. 5,00,000	Rs. 700
Up to Rs. 10,00,000	Rs. 1000
Above Rs. 10,00,000	Rs. 1000

Manager (Disposal) can revise the price of tender documents with the approval of the General Manager (Technical) and the cost of the tender documents will be published in tender notice.

### **6.5 Sale of Tender Documents**

- (a) All tender documents shall be sold to the interested parties (except to the black list firms/persons) on payment of price of tender into the Bank Account. Money shall be deposited in bank on a Challan prepared by B&AO and on production of the bank receipt, the documents will be handed over.
- (b) Normally, five (5) sets of tender documents including tender schedule shall be sent to the S.O.F for sale to any local party interested. And ten (10) sets or more if required will be handed over to B&AO for sale to the intending buyers.
- (c) Each of the tender document sent to S.O.F and sold through B&AO must be stamped and initialed by the Budget and Accounts Officer/AB&AO/Divisional Accountant concerned on receipt of payment of the cost of the tender documents.
- (d) B&AO will keep a register similar to Exhibit '6-1' showing the particulars of the documents sold together with the relevant particulars of challan form.
- (e) While issuing the tender forms, Budget and Accounts Officer shall record names, national identity card number and complete postal address of the tenderer on the Tender Documents.

### **6.6 Earnest Money**

- (a) Each tender shall be accompanied by an Earnest Money Deposit, which must be specified in the Tender Document.
- (b) Tenders not supported by the required Earnest Money Deposit shall be rejected. The Earnest Money Deposit will be in the bidder's own name or else it shall not be entertained by the Tender Opening Committee.
- (c) Earnest Money must be in the form of a Call Deposit Receipt (CDR)/Bank Draft **or DISCO bearer bond** in favour of Chief Executive Officer showing the name of bidder who is participating in the tender. Earnest Money in the form of cheque or cash or any other form shall make the tender liable for rejection.

- (d) Earnest Money of the unsuccessful bidders shall normally be returned on the same day of the opening of tender but not later than three (3) days except those of the highest and the 2<sup>nd</sup> highest bidder (if retained).
- (e) The B&AO shall deposit the 10% CDR of the highest bid of the successful bidders in the official Bank Account of Sale Proceeds for checking/confirmation. After acceptance of the bid the CDR will be considered as a part of bid money and the letter of acceptance will be issued demanding the balance amount of bid plus Advance Tax etc. If the highest bid is rejected by the competent authority the amount of earnest money will be refunded through cheque by the B&AO. The Earnest Money of the 2<sup>nd</sup> highest bidder will only be retained when the difference between the offers of the highest and the 2<sup>nd</sup> highest bidder is nearly equal to the Earnest Money.
- (f) Earnest Money of the 2<sup>nd</sup> highest bidder shall be returned after the highest bidder has paid the full bid money but not later than sixty (60) days.
- (g) Validity of tender shall be for three (3) months or as specified in the tender documents.

## **6.7 Receipt of Tenders**

The receipt of tenders will be the responsibility of the Manager (Disposal) or his designee.

All tenders will be received by the Manager (Disposal). The documents shall be placed in a locked tender box in the office of Manager (Disposal) until the time and date of tender opening.

Tenders received by Registered Post shall be put in the Tender Box, if received before the date and time of scheduled tender opening.

## **6.8 Tender Opening**

All Disposal Tenders will be opened by a Tender Opening Committee composed as under:

- |    |                      |            |
|----|----------------------|------------|
| a. | Manager Disposal     | (Convener) |
| b. | Dy. Manager Disposal | (Member)   |
| c. | Audit Officer        | (Member)   |
| d. | B&AO H/Q             | (Member)   |

### **NOTE:**

Quorum of the Committee shall be deemed complete, when at least two members one from Disposal Manager and other from Accounts are present.

## **6.9 Duties of the Tender Opening Committee**

- i. Assemble on the date, time and place specified.
- ii. Check that the record related to the tender is complete and ready.



- iii. Check and ensure that appropriate press advertisement for the tender to be opened has been duly published.
- iv. Open the tenders one by one separately, in the presence of the bidders or their representative s if present.
- v. Initial each and every tender in ink with the date on which the tenders are opened.
- vi. Announce the tendered rates/prices at the spot as each tender is opened.
- vii. Ensure that the original Call Deposit Receipt is included with the tender document. The Call Deposit Receipt enclosed must be complete in all respects and contain the bank identity, be numbered and dated. The above information must be also documented in the tender document in the prescribed place.
- viii. A witness sheet is prepared showing the particulars of the bidder/representatives who are in attendance. This list shall be countersigned by at least two members of the Tender Opening Committee.
- ix. To get the Comparative Statement of Tenders completed soon after the opening of tenders.

**NOTE:**

- A. If any quotation has been left blank against any item by a tenderer, this should be particularly noted. Such omission shall be indicated by drawing a line across the blank space under the initials of the Convener of the Tender Opening Committee. All corrections, where acceptable must be initialed by the Tender Opening Committee.
- B. Delayed / Late Tenders  
Tenders not received at the scheduled time and date will be reckoned as Late Tenders. "Late Tenders" will not be entertained in any case.
- C. Any other discrepancy observed by the Tender Opening Committee will be endorsed in ink on the tender.

## **6.10 Steps after Tender Opening**

After the tenders are opened and announced, earnest money deposit of highest and 2<sup>nd</sup> highest bidder (if decided to be retained) shall be handed over to the B&AO of Disposal Division for retention. The B&AO shall enter their particulars in a Register kept for the purpose and shall be responsible for its safe custody till return to the bidders. Earnest Money Deposit of the remaining bidders will be returned to them by the Deputy Manager Tenders.

When the Comparative Statement has been completed, it shall be signed by the members of the Tender Opening Committee.

## **6.11 Commercial Evaluation.**

Commercial evaluation of the highest announced bidder shall be completed within four (4) days of the tender opening date by Deputy Manager (Disposal) and shall consider (but not limited to) the following:

- (a) Comparison of bid price to reserve price

- (b) Consideration of previous offers
- (c) Possibility of deterioration of material
- (d) Market trend
- (e) Location of material
- (f) Bidders previous performance.

The Deputy Manager (Disposal) will submit the commercial evaluation report along with the comparative statement duly recommended to Manager (Disposal).

**NOTE:** For further procedure, see **Chapter – 11**

**SALE REGISTER OF TENDER DOCUMENTS**

- (a) Tender No. \_\_\_\_\_
- (b) Date of Opening. \_\_\_\_\_
- (c) Cost of Tender Documents. \_\_\_\_\_

Sr. No.	Date of Issue of Tender Documents	Bank Challan Number & Date	Name & Address of Purchaser	Remarks

## **CHAPTER 7-AUCTION PROCEDURE**

### **7.1 General**

An item may be disposed off by auction under any of the following circumstances;

- (a) When one or more attempts through tender have NOT brought forth the expected offer.
- (b) The location and the nature of the material are such as to be more suitable for auction at site rather than a tender opened at the Disposal Directorate.
- (c) When sale by auction is considered by General Manager (Technical) likely to generate better competition, therefore better sales price and thus serve the interest of the DISCO.
- (d) When the exigencies of service demand a more expeditious disposal at site than sales through routine tenders.

As sales by auction implies financial, legal and commercial obligations for the DISCO and involves contracts with private parties, all steps taken must be carefully and conscientiously examined by all concerned.

#### **NOTE: -**

In case of Three (03) successive bids, if no response is received or bid received below the reserve price then store owing formation may dismantle all materials and shift to respective stores by his own resources or through outsourcing as per store owing formation financials powers.

### **7.2 Preliminary Steps**

Taking the above circumstances (Para '7.1') into consideration, General Manager (Technical) / Manager Disposal will decide as to whether the material be sold through tender or auction. The points mentioned in Para '6-1' Chapter '6' of Tender Procedure must be got checked by the Deputy Manager (Disposal) before issuing auction notices.

### **7.3 Auction Program**

The auction notices/auction program shall contain but not limited to the following;

- Date/time of auction
- Location of auction
- Brief description of items
- Unit of measure
- Quantity of items to be sold

## **7.4 Auction Advertisements**

The finalized auction notices/auction program will be advertised in the press through Deputy Manager (Public Relations), giving at least fifteen (15) days prior to the date of auction.

## **7.5 Coordination with the S.O.F and the Audit Authorities**

A copy of auction program shall be sent to Deputy Chief Auditor, the Store Managers/Deputy Managers concerned and Deputy Manager (Material Management) (if applicable). The stores officers are to make store available for the bidders to inspect at the site and necessary arrangements to conduct the auction. A copy of the auction program is to be sent to the Deputy Chief Auditor so that he may depute a member of his staff to witness the auction.

## **7.6 Conduct of Auction**

Financial Powers will be exercised as given in Chapter 13 of this policy.

All auctions conducted by the Disposal Directorate will be attended and witnessed by

- An Audit Officer detailed by the General Manager (Technical) / Deputy Chief Auditor
- An officer detailed by the Store Owning Formation not below the status of BPS-16

## **7.7 Duties of Auction Supervising Officer**

The duties of auction supervising officer are given as under.

- (a) Be fully conversant with the auction procedure, terms and condition of the auction and other relevant provisions of the Disposal Procedure.
- (b) Ensure the prior advertisement of auction notice has been published in the press.
- (c) Coordinate with the S.O.F and the audit officers about the dates, timings and location of auction.
- (d) Ensure the correctness of the auction documents, including the Survey Report and any remarks and recommendations on the verification report to detect any last minute defects or omissions overlooked at the previous stages of scrutiny.
- (e) Ensure that the representatives of the Audit and the S.O.F are assembled at the spot well before the commencement of the proceedings.
- (f) Ensure that the stores for auction are properly laid out lot wise or marked clearly and the related arrangements have been made for the inspection of the stores/vehicle/equipment by the intending bidders.
- (g) Ensure that the terms and conditions of the auction and the particulars of the items that are withdrawn from auction after the publication, if any, prior to each auction are announced to the bidders.
- (h) Ensure auction does not start before the time advertised in the press. He may defer the auction proceedings, in special circumstances, for a short while, say not more than half

an hour, to allow the bidders to inspect the stores and assemble, so that the best offer is obtained for the stores being put up in the auction.

- (i) Conduct the auction in systematic and efficient manner and generate an orderly atmosphere to encourage bidders to come forth with their bids in healthy competition.
- (j) Ensure that appropriate stationery and books are available to record auction proceedings and issue receipts for Earnest Money received.
- (k) Ensure that the auction money has been received and cash converted into bank draft. He should ensure the safe custody of the cash and no undue risk is taken with the Company's money.
- (l) Complete the Auction Proforma (Exhibit '7-1') for auction before the commencement of another
- (m) Stop the auction if a fair offer is NOT being made or he feels that the bidders are ganging up into a "combine" to defeat the competition and document justification for stopping the auctions.
- (n) On completion of each auction, he shall recheck and compile all documents. He shall be assisted by the Audit Representative and the SOF Representative in the finalization of the documentation.

#### **NOTES:**

- (i) The witnessing officers of Audit and SOF may be of the rank of BPS-16 or above depending on the value of the material to be auctioned. The value relates to the Reserve Price of the material or of each lot if sold as a lot.
- (ii) If an Audit Officer is NOT made available, the SOF will detail another officer.
- (iii) Where the Deputy Manager (Disposal) feels the necessity of assistance of any official he will seek the services of the incumbent for the conduction of auction.

### **7.8 Financial Powers**

Financial powers to accept the highest bid are as given in Chapter 13 of this book.

### **7.9 Record of Auction Proceedings**

All bids offered for each lot shall be entered on a Proforma (Exhibit '7-1'). The Manager (Disposal)/Deputy Manager (Disposal) or the officer detailed by General Manager (Technical) will be responsible for its completion and will along with the witnessing officer sign each Proforma at the close of each lot auctioned.

The Proforma shall contain, but not limited to the following information.

- Date and Time of Auction
- Location of Auction
- Description of Lot Disposed
- Record of all bids
- Name National Identity Card No. and Address of highest bidder
- Amount of highest bid (Numerical & Words)

- Reserve price
- Survey Report No. and Date
- Recommendation of Auction Committee for Bid Acceptance or Rejection
- Signature of supervising officer for the acceptance/rejection of all bids.
- Bid acceptance, subject to approval
- Amount received from successful bidder
- Balance due
- Signature of successful bidder in token of his acknowledgement that the bid offered by him may be accepted by the competent authority
- Approval as per Chapter '13' of this book if it is within the competency of the officer conducting auction otherwise the case will be prepared for the approval of the competent authority

If there is no bid from any one present, the fact should be recorded and signed by the Supervising Officer the other representative of Audit and SOF.

### **7.10 Collection of Earnest Money**

At the fall of hammer, the highest bidder for each bid shall be required to deposit as Earnest Money 25% of the bid amount with the Deputy Manager (Disposal) or the officer detailed to conduct/supervise the auction and a written receipt for cash given. Where the bidder fails to pay the Earnest Money the bid should be cancelled forthwith announced on the spot and re-auctioned. The defaulting bidder will be debarred from further participation in the auction.

### **7.11 Acceptance of the Bid**

Detailed procedure for acceptance of bid and issuance of letter of acceptance is out-lined in Chapter '11' Paras '11.2' and '11.3' of this policy.

### **7.12 Code of Conduct**

Staff and officers of DISCOs are forbidden from participating in a disposal auction or favoring any particular bidder in preference to others. The bidder offering the highest bid will normally be given a letter of acceptance.

Only with the approval of the DISCO, employee may be allowed to participate in the open auction.

### **7.13 Terms And Conditions of Sale by Auction**

The following conditions will apply to all sales through auction conducted by the Disposal Directorate.

- (a) All Sales shall be made to the bidder offering the highest price subject to the approval of the Chief Executive Officer. In the event of any dispute between the bidders, the

dispute shall be decided by the General Manager (Technical) and the decision shall be binding on both the parties.

- (b) General Manager (Technical) / Manager (Disposal) or the officer detailed to supervise the auction may refuse to accept the bid of any person or persons.
- (c) The officer supervising the auction may also withhold from Auction any lot/lots or part of a lot, in the interest of DISCO or for administrative necessity. The specifics and justification must be documented.
- (d) Payment of 25 percent of the highest bid shall be made as Earnest Money on the fall of hammer. The balance of the bid money shall be paid within twenty-one (21) days from the date of issue of LOA (Letter of Acceptance).
- (e) The Earnest Money paid by the successful bidder is a security for due performance of the bidder. In case of failure of the bidder to fulfill the conditions of the auction, including the payment of the balance of the bid money, the earnest money will be forfeited.
- (f) General Manager (Technical) may grant extension upto fifteen (15) days for depositing the balance amount of the accepted bid.
- (g) The whole lot or lots shall be taken from the site of accumulation with all faults and any error in the earlier description or otherwise. Quantities, sizes, measurements, numbers and weights as stated in the lists of description are approximate. The stores are sold at the site on the clear understanding that the bidders have inspected and satisfied themselves of the lot or lots they are bidding for NO complaints after the sale whatsoever shall be entertained.
- (h) Where stores are sold by weights or numbers, the bidder will be charged for only the actual quantity supplied by the SOF.
- (i) Where the whole lot or lots of the bid is not delivered to the bidder for any cause whatsoever, other than the negligence of the bidder the whole or a proportionate of the bid money shall be refunded to the bidder. NO claim will be entertained other than for a proportionate refund of the value of the undelivered quantity of the material sold.
- (j) Where the exigencies of the service demand General Manager (Technical)/Manager (Disposal) may add to these terms and conditions or modify any or some of them.



**STATEMENT OF PROGRESSIVE BIDS (AUCTION)**

Open public auction held at \_\_\_\_\_ hours on \_\_\_\_\_ at \_\_\_\_\_  
 to dispose off \_\_\_\_\_  
 belonging to \_\_\_\_\_  
 Bids Rs. \_\_\_\_\_

\_\_\_\_\_  
**Signature of Highest Bidder**

Name & Address \_\_\_\_\_

Certified that the above mentioned auction has been conducted in our presence and maximum offer of Rs. \_\_\_\_\_ given by Mr. \_\_\_\_\_ is recommended for acceptance/ rejection.

\_\_\_\_\_  
 Audit Representative

\_\_\_\_\_  
 S.O.F Representative

Approved by:

\_\_\_\_\_  
 Manager (Disposal)

An amount of Rs. \_\_\_\_\_ ( Rupees \_\_\_\_\_ )  
 Being 1/4<sup>th</sup> / full bid money and Rs. \_\_\_\_\_ ( Rupees \_\_\_\_\_ )  
 dated \_\_\_\_\_ against the reserve price of Rs. \_\_\_\_\_  
 vide survey report No.(s) \_\_\_\_\_ dated \_\_\_\_\_ has been received.

Balance bid money Rs. \_\_\_\_\_ and G.S.T \_\_\_\_\_  
 The offer is \_\_\_\_\_ % of the reserve price.

Approved by:

\_\_\_\_\_  
 Manager (Disposal)

## **CHAPTER 8 – NEGOTIATIONS**

### **8.1 General**

In limited cases, when adequate bid prices are not received for an item to be sold in the tendering and auction process, the item may be sold through negotiation. This chapter intends to establish guidelines and assigns responsibilities for selling and item or a lot of items through the Negotiation process.

### **8.2 Responsibility**

The General Manager (Technical) /Manager (Disposal) shall be responsible for determining when disposable items may be sold through negotiation process.

### **8.3 Negotiation Committee**

Once an item or lot of items have been approved to be sold through Negotiation, the General Manager (Technical) shall appoint a Committee to conduct negotiations with the participants of tender or the highest bidder in case of auction. The Committee shall consist of the following representatives.

Manager (Disposal)	Convener
Dy. Manager (Disposal)	Member
Representative of Accounts Division	Member
Representative of Dy. Chief Auditor Audit	Member

The members of the committee shall be of Grade 17 or above. The Committee shall determine prospective bidder to be contacted for negotiations. The bidders who originally participated in the tender, will be called. However, the highest bidder will be called in case of auction.

Each bidder shall be given the following information in writing or verbally as determined by the Disposal Directorate;

- i. Time and date of scheduled negotiation
- ii. Location of negotiation
- iii. Reference of Tender/Auction.

### **8.4 Negotiations Procedure**

On the set time and date, the Negotiation Committee shall meet to entertain offers on material to be sold.

The committee shall meet with each prospective bidder individuals to discuss and persuade him for increase in bid. This final price agreed to shall be obtained from the bidder in writing

and signed by all present and set aside until negotiations with each bidder is completed. All bids offered will be final and not subject to charge.

**NOTE:**

- i. The committee shall not disclose the price offered by the prior bidders during the negotiation process.
- ii. No bid will be entertained without Earnest Money.

**8.5 Bid Evaluation**

Upon completion of the negotiations process, commercial evaluation as described in the Chapter '6' Para '6.11' shall be completed. Normally, the case of highest bidder may be recommended for approval unless otherwise justified. Justification in such cases must be approved by the General Manager (Technical).

**8.6 Bid Approval**

Detailed procedure for acceptance of bid is outlined in Chapter '11' Para '11.2' except the Manager (Disposal) shall not exercise his financial powers being the convener of the Negotiation Committee.

**8.7 Letter of Acceptance and Release of Material**

Letter of acceptance and Release Order of the disposable material to the successful bidder shall be issued according to the procedure given in Chapter '11' Para '11.3'.

## **CHAPTER 9 - PRIVATE TREATY**

### **9.1 General**

When certain items declared disposable fail to be disposed off through the tendering and auction process, may be sold through Private Treaty. Contract for a specific disposable item in the interest of DISCO may be entered into with the formal approval of General Manager (Technical) and Chief Executive Officer. However, under certain circumstances and with the written approval of General Manager (Technical) tender/auction may be eliminated and the items (s) may be sold through Private Treaty. This Chapter intends to establish guideline and responsibilities for disposing off material through private treaty.

### **9.2 Responsibility**

The General Manager (Technical) / Manager (Disposal) shall be responsible for and shall determine which disposable items are to be disposed off under Private Treaty. All Private Treaty cases shall be approved by the Chief Executive Officer or as the case may be.

### **9.3 Advertisement**

It is mandatory to follow advertisement process as outlined in Chapter '5' Para '5.4'. However, all invitation to participate in Private Treaty shall be posted on the designated Notice Board.

The Notice shall contain the following information.

- (a) Date, Time and place for Private Treaty.
- (b) Complete description of items to be sold under private treaty
- (c) Amount of Earnest Money
- (d) Special conditions relevant to the sale of items

### **9.4 Private Treaty Committee**

This Private Treaty Committee shall consist of the following:

- (a) For stores having Reserve Price above Rs. 10 lacs
  - (i) General Manager (Technical) Convener
  - (ii) Manager (Disposal) Member
  - (iii) A Representative of Accounts Division Member
  - (iv) A Representative of Dy. Chief Auditor Member

The members of the committee shall be of grade 17 or above

(b) For stores having Reserve Price upto Rs. 10 lacs

(i)	Chief Engineer O&M (Dist.)	Convener
(ii)	Manager (Disposal)	Member
(iii)	A Representative of Accounts Division	Member
(iv)	A Representative of Dy. Chief Auditor	Member

The members of the committee shall be of grade 17 or above

## **9.5 Private Treaty – Negotiations**

The negotiations shall be held as outlined in Chapter ‘8.4’ 'Negotiation Procedures’.

## **9.6 Bid Evaluation**

Upon completion of the negotiation process for Private Treaty the bids shall be commercially evaluated as per Chapter ‘6’ Para ‘6.11’.

## **9.7 Bid Approval**

The bid evaluation document containing the recommendations shall be approved by the officer next to the convener of Private Treaty Committee. The detail procedure for approving the bids is outlined in Chapter ‘11’ Para ‘11.2’.

## **9.8 Letter of Acceptance and Release Order**

Letter of Acceptance and Release Order of the disposable material to the successful bidder shall be issued according to the procedure in Chapter '11' Para '11.3'.

## **CHAPTER 10 - RATE CONTRACT**

### **10.1 General**

Some disposable material have a recurrent flow into the Store Owning Formation whose market prices DO NOT often fluctuate or whose long retention with the Store Owning Formation is NOT desirable because of rapid deterioration or fire hazard, like used batteries, waste paper or other waste material etc. It will be more economical and practicable to enter into a Rate Contract. It is the intent of this chapter to establish guidelines and assign responsibilities for disposing off material through Rate Contract.

### **10.2 Responsibility**

The General Manager (Technical) will determine which item or group of items shall be disposed of through Rate Contracts. The rate Contracts shall be approved by the General Manager (Technical) before issuance.

### **10.3 Tender Process**

Each item or group of items which have been selected to be disposed off by issuing a Rate Contract shall be advertised in the press as outlined in Chapter 6 Para 6.4.

### **10.4 Tender Evaluation**

The tender will be evaluated as outlined in Chapter 6 Para 6.11.

### **10.5 Tender Approval**

The bid evaluation document containing the recommendations will be approved by General Manager (Technical).

### **10.6 Rate Contract**

A Rate Contract will be executed with the bidder quoting the highest rate. The rate contract will normally be made out for a period of one year. However, General Manager (Technical) may extend the contract for the period of one year at a time.

## **CHAPTER - 11 ACCEPTANCE OF BID AND RELEASE OF MATERIAL**

### **11.1 General**

This chapter is intended to act as guideline and to assign responsibilities for the various functions required to approve the tender documents, issue and distribute the Letter of Acceptance and release of disposable material.

### **11.2 Bid Approval**

When the evaluation process described in Chapter '6' Para '6.11' is completed, the complete package will be reviewed by the General Manager (Technical) and approved by the Chief Executive Officer. The financial competencies are set-forth in Chapter '13' of this policy.

The Manager (Disposal) shall ensure that the approval process is completed in a timely manner.

### **11.3 Letter of Acceptance**

- a) As soon as the decision is taken to accept a bid by the competent authority a letter of acceptance (L.O.A) given as Exhibits '11.2A' & '11-2B' will be issued to the successful bidder by UMS/Registered A.D.
- b) In addition to the instructions at Para '11.3' (a) in case of auction, if the Reserve Price of the material is within the financial power of acceptance of the Deputy Manager (Auction) or the officer supervising the auction an LOA will be issued after the receipt of the Earnest Money. When the Reserve Price of the material is beyond the power of acceptance of the officer conducting the auction, he/she may accept the earnest money subject to the approval of competent authority. However, the supervising officer shall have the power to reject any bid which is below reserve price or considered unattractive. On return to the Headquarter, cases of rejection will be got approved from the Chief Executive Officer.  
Proforma of the auction proceeding shall, nevertheless, be completed and signed by the Supervising Officer and the officers witnessing the auction, with the remarks that issue of LOA deferred till approval by General Manager (Technical) or Manager (Disposal) as the case may be.
- c) The Letter of Acceptance will be scrutinized by the Deputy Manager (Disposal) / Assistant Manager (Disposal) for correctness of entries and particulars of the material and the bidder before issue.
- d) The successful bidder shall be required to deposit the total bid amount within 21 working days from the date of issue of the Letter of Acceptance sent under registered cover.
- e) If a bidder applies in writing for issue of LOA by hand, the Manager (Disposal) / Deputy Manager concerned may allow issue by hand and will record the permission in

writing in the relevant file. The period of fifteen (15) days commences from the date of issue of the Letter of Acceptance.

- f) If the successful bidder fails to comply with the condition of the LOA, his/her award will be annulled and Earnest Money forfeited. The award may then be made to 2<sup>nd</sup> highest bidder, if considered reasonable; otherwise afresh sale action will be taken.
- g) Under special circumstance on the request of bidder time limit for the deposit of the total bid amount may be extended as per following:
  - i). Manager (Disposal) may grant an extension up to ten (10) days for the deposit of bid amount beyond the date given in the LOA.
  - ii) General Manager (Technical) may grant an extension up to fifteen (15) days for the deposit of the total bid amount beyond the date given in the L.O.A.
  - iii) Chief Executive Officer may grant extension up to thirty (30) days for the deposit of the total bid amount beyond the date given in the LOA.

#### **11.4 Release of Stores**

- a) On deposit of the balance bid amount in case of Tender/Auction as written in the LOA. After scrutiny and confirmation by the B&AO the Disposal Directorate shall issue a Release Order in the light of Exhibit '11.3A' and '11.3B' addressed to the Office Incharge Stores, authorizing him / her to deliver the stores sold to the bidder.
- b) The Stores having Reserve Price upto Rs.20,000/- (Rupees Twenty Thousand only) and all vehicles (irrespective of their values) will be delivered by the officer incharge of the store/vehicle to the bidders. To safe-gauard the interest of the Company while handing over the store having Reserve Price more than Rs.20,000/- (Rupees Twenty Thousand only) to the successful bidder, the following measures must be adopted:
  - i. A "Release Committee" comprising the following officers shall be constituted by the officer of the rank of Manager or equivalent of the Store Owing Formation to deliver the disposable material to the successful bidder in accordance with quantities mentioned in the Release Order issued by the office of the General Manager (Technical).

(a) Store Officer/Deputy Manager	(Convener)
(b) A.S.O./Assistant Manager or any Grade-17 Officer available at the station.	(Member)
(c) B&AO or Accounts representative Available.	(Member)
(d) The Security Incharge at the Station, if available.	(Member)
  - ii. All members of the Release Committee will be present at the time of delivery of stores to ensure correct weightage, counting and measurement, etc. They will sign store requisition, store challan / any other document used for the delivery of the disposable store to the successful bidders. The Release



Committee will be fully responsible for any discrepancies / irregularities noticed afterwards.

- c) The bidder will be required to lift the stores from the location as soon as possible but not later than twenty-one (21) working days of the issue of release order confirmation letter.
- d) Under special circumstances, the period of twenty-one (21) days may be extended;
  - i. Up to fifteen (15) days by Manager (Disposal) without rental charges.
  - ii. Additional extension up to twenty-one (21) days by General Manager (Technical) without rental charges
  - iii. Additional extension up to three (3) months by Chief Executive Officer without rental charges.
  - iv. Any delay in lifting the store will be on payment of 1% of the bid amount per day till such time the entire quantity is removed from the site.
- e) All weighment, counting measuring and loading of material will normally be done at the cost of labour and transport of the bidder and in the presence of release committee.
- f) On removal of the stores and completion of the delivery, the officer in charge stores shall immediately issue the Sale Report given as Exhibit '11.1'.
- g) S.O.F will recover all the claims from the bidder including additional charges, rental charges @1% per day and cost of damages to the premises etc., before completion of the lifting of the material.
- h) If the actual buyer wishes to take delivery of the stores purchased through a representative, he/she must authorize his/her representative by a proper letter of DISCO to be presented to the officer in charge of the stores. The officer in charge of the stores, if satisfied of the authenticity of the letter of authority, is to deliver the stores through that proxy at the risk and responsibility of the buyer. In such cases there shall be no claim against the DISCO on any account whatsoever.
- i) The buyer shall be responsible for any damage to the DISCO premises while removing the lot or lots bought by him/her. SOF should demand due compensation from the bidder to make good the damage, which will be paid by the buyer before completion of lifting of material.
- j) Deliverers of the stores will normally be made to the bidders on working days only.
- k) The officer incharge of stores shall remove the items disposed off from the books on the basis of store requisition/store challan/any other document used for the delivery of material.

**TENDER/AUCTION SALES REPORT**

1. Name of Store Owning Formation \_\_\_\_\_
2. Tender & Lot No. \_\_\_\_\_
3. Date of Auction/Tender. \_\_\_\_\_
4. Date of Delivery \_\_\_\_\_
5. Name & Address of the Purchaser \_\_\_\_\_
6. Description of the store \_\_\_\_\_
7. Quantity delivered \_\_\_\_\_
8. Reserve Price \_\_\_\_\_
10. Gate Pass No. & Date \_\_\_\_\_
11. Loading charges if any \_\_\_\_\_
12. Ground rent 1% if any \_\_\_\_\_
13. Remarks \_\_\_\_\_
14. Release Order No. & Date \_\_\_\_\_

**ASSISTANT STORE OFFICER****STORE INCHARGE**

Material delivered by \_\_\_\_\_ Material Received by \_\_\_\_\_  
 No. \_\_\_\_\_ Dated \_\_\_\_\_

**Distribution**

- Manager (Disposal)
- Bidder

**REGISTERED POST/UMS**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Subject: LETTER OF ACCEPTANCE FOR TENDER (OPENED ON)**  
**TENDER NO.**

Your bid pertaining to the above tender for the purchase of following articles has been accepted for which you deposited CDR No.....  
 Dated.....Amount..... and same has been deposited vide bank challan No. & Date.....

<b>Lot No.</b>	<b>Survey Report No. and Date</b>	<b>Description of material</b>	<b>Quantity</b>	<b>Amount</b>

Kindly arrange to deposit with \_\_\_\_\_ Bank Branch. Account No either in case or by crossed Bank Draft drawn in favour of the Chief Executive Officer\_\_\_\_\_, for Rs..... +GST Rs.....(Rupees.....) Within 21 days after the issue of the letter failing which the Earnest money for the tender will be forfeited without any further notice and no claim shall lie against this decision.

On payment of the full amount a Release Order will be issued in your favour by this office on the basis of receipted Bank Challan to be furnished by you and confirmation from bank, regarding receipt of the amount for which your tender bid has been accepted.

You will be held responsible for any loss due to incomplete/incorrect or change in postal address as given by you.

\_\_\_\_\_  
**Deputy Manager (Disposal)**

Info:

- Manager Finance (concerned)
- Store concerned
- Budget & Account Officer concerned
- Master File

**LETTER OF ACCEPTANCE FOR AUCTION**

Lot No. \_\_\_\_\_ Survey Report No. \_\_\_\_\_ Dated \_\_\_\_\_

The highest bid made by you in the auction held on \_\_\_\_\_  
 at \_\_\_\_\_ in respect of \_\_\_\_\_

\_\_\_\_\_  
 (Stores) for which you deposited in cash Rs. \_\_\_\_\_  
 (Rupees \_\_\_\_\_) vide Receipt No. \_\_\_\_\_  
 been accepted.

You are required to deposit with \_\_\_\_\_ Bank, Sale Proceed Account No. \_\_\_\_\_  
 the balance of the bid money i.e., Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ and Rs. (Rupees  
 \_\_\_\_\_) as Advance Tax either in cash or through crossed Bank Draft  
 drawn in favour of Chief Executive Officer, within 21 working days after the issue of this letter,  
 failing which the Earnest Money will be forfeited without any further notice and no claim  
 whatsoever shall lie against DISCO in this respect.

On payment of the full amount, a Release Order will be issued in your favour by this office on the  
 basis of receipted Bank Challan to be furnished by you and confirmation from bank, regarding  
 receipt of the amount for which your bid (in auction) has been accepted.

You will be held responsible for any loss due to incomplete/incorrect or change in postal address  
 as given by you.

\_\_\_\_\_  
**Manager / Deputy Manager (Disposal)**

Info:

- Manager Finance (concerned)
- Store concerned
- Budget & Account Officer concerned
- Master File

**RELEASE ORDER FOR THE STORES / OF TENDER NO.**

As letter of acceptance issued by this office Manager Disposal \_\_\_\_\_ Dated \_\_\_\_\_ the offer of Mr. \_\_\_\_\_ for the under mentioned item(s) lot(s) has been accepted for which full payment of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) + G.S.T. \_\_\_\_\_ (Rupees \_\_\_\_\_) vide Bank Challan No. \_\_\_\_\_ Dated \_\_\_\_\_ in favour of the Chief Executive Officer.

Lot No.	Survey Report No. & Date	Description of Material Unserviceable Material/Vehicle(s)	Quantity

All the above listed items may kindly be delivered to the party on presentation of the copy of this office confirmation letter endorsed to them. According to the terms & conditions of the tender the party is required to remove the entire stores from the site within 21 working days of the issue of Release Order confirmation letter failing which rental charges @ 1% per day of total value of the stores viz Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) is to be charged by the Store Owning Formation, until such time the entire stores have been removed from site. In case the stores are not lifted within the prescribed date such charges should be recovered from the party, in advance by your office (and this office be informed) should be recovered from the party, in advance by your office (and this office be informed) accordingly or unless an intimation is received from this office extending the time limit. One copy of Sale Report after delivery of stores be sent to this office with a copy to the Accounting Unit concerned. The Store Owning Formation should confirm the genuineness of the Release Order from this office within 10 days from issue of this office Release Order before delivery of the material. If the material is released without obtaining confirmation of Release Order from this office, the Store Owning Formation will be held responsible for all the consequences.

DA: Three copies of sale report

**Manager (Disposal)**

c.c. to

1) Mr. \_\_\_\_\_

All the store must be removed from site within 21 working days of the issue of Release Order confirmation letter failing which rental charges @1% per day as specified above will be charged in accordance with Disposal Procedure. If delivery be required through representative, the person should be authorized by a letter of DISCO authority which should be presented to the officer in whose charge stores are held. Delivery by proxy will be made at his risk and responsibility and no claim will be accepted against DISCO whatsoever if the delivery is affected to any wrong person or party.

2) Manager (Transport) in case of vehicles

**NOTE:**

- a) This Release Order to be dispatched by U.M.S/Registered A.D and not be delivered by hand at any cost.

- b) The stores having Reserve Price upto Rs.20,000/- (Rupees Twenty Thousand only) and all vehicles (irrespective of their value) will be delivered by the officer in charge of the store / vehicle to the bidder.
- c) The stores having Reserve Price above Rs.20,000/- (Rupees Twenty Thousand only) will be delivered to the bidder by Release Committee comprising the following members:
- |       |   |            |
|-------|---|------------|
| (i)   | Store Officer/Manager (Disposal)<br>Officer of the equivalent status                      | (Convener) |
| (ii)  | A.S.O/Assistant Manager (Disposal) or any Grade-17<br>Officer available at the Station.   | (Member)   |
| (iii) | Budget & Accounts Officer or<br>Account representative available.                         | (Member)   |
| (iv)  | The security in charge at the<br>station, if available.                                   | (Member)   |
| (v)   | A representative of Dy. Chief Auditor.<br>if available on due date given<br>by the S.O.F. | (Member)   |

**RELEASE ORDER - AUCTION NOTICE NO.**

Reference: Letter of Acceptance" issued by this office vide No. \_\_\_\_\_ dated \_\_\_\_\_

The highest bid offered by Mr. \_\_\_\_\_ for purchasing the under mentioned stores(s)/Vehicles(s) as per verified Survey Report No.(s) \_\_\_\_\_ dated \_\_\_\_\_ has been accepted and full payment of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) has been made by the successful bidder vide C.R. and GST No. \_\_\_\_\_ and Bank Challan No. \_\_\_\_\_ dated \_\_\_\_\_ in favour of Chief Executive Officer.

Lot No.	Survey Report No.	Description of Material	Quantity

All the above listed items may kindly be delivered to the party on presentation of the copy of this letter endorsed to them.

According to the terms and conditions of the Auction the party is required to remove the entire stores from site within 21 days failing which rental charges @1% per day of the total value of the store viz, Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) is to be charged until such time the entire stores have been removed from site. In case the stores are not lifted by the prescribed date, such charges should be recovered from the party in advance by your office (this office be informed accordingly\_ or unless, an initiation is received from this office extending the time limit, One copy of the Sale Report after delivery of material be returned to this office with a copy to Regional Manager(IC) /Accounting Unit concerned.

\_\_\_\_\_  
**Manager (Disposal)**

**Enclosed:**

Three copies of  
Sale Report Forms

Info:

- Mr. \_\_\_\_\_

\_\_\_\_\_ for information and necessary action. All stores must be removed from site within 21 days failing which rental charges @1% per day as specified above will be charged in accordance

with Disposal Procedure. If delivery be required through representative, the person should be authorized by a letter of authority, which should be presented to the officer in whose charge stores are held. Delivery by proxy will be made at his risk and responsibility and no claim will be accepted against DISCO whatsoever if the delivery is affected to any wrong person/party.

- Income Tax Officer concerned
- Manager Store concerned
- Manager (Transport) (in case of vehicle)
- Master Copy

**NOTE:**

- a) The stores having Reserve Price upto Rs.20,000/- (Rupees Twenty Thousand only) and all vehicles (irrespective of their value) will be delivered by the officer in charge of the store / vehicle to the bidder.
- b) The stores having Reserve Price above Rs.20,000/- (Rupees Twenty Thousand only) will be delivered to the bidder by Release Committee comprising the following members:
  - (i) Store Officer/Deputy Manager (Disposal)/officers of the equivalent status (Convener)
  - (ii) A.S.O/Assistant Manager or any Grade-17 officer (Member)
  - (iii) Budget and Accounts Officer or Accounts Representative available (Member)
  - (iv) The Security in charge at the Station if available (Member)



## **CHAPTER 12 - DESTRUCTION OF DISPOSABLE MATERIAL**

### **12.1 General**

When a disposable stores are not been sold through all modes of disposal process within a reasonable time period from the date the survey report is received by the office of the General Manager (Technical), the material is to be destroyed by the most economical means.

### **12.2 Notice to Destroy**

When an item meets the criteria above and has not been sold during the specified period of time, upon written instructions from the General Manager (Technical), the Manager (Disposal) shall issue a notice to the Store Owing Formation to destroy disposable items.

### **12.3 Destruction of Valueless Material**

There are certain items which after completing their useful life are of no commercial value, for instance; broken china/glass crockery, rubber gloves, broken porcelain portion of insulators, curtains, floor coverings, tents etc., in the shape of rags. For such like items having no commercial value, the Manager concerned may approve/arrange the destruction on the recommendations of the Survey Committee.

### **12.4 Destruction Method**

No hard and fast rule can be laid down for determining the method for destruction of the non-saleable material.

It shall be the responsibility of the Store Owing Formation to determine the best method for destruction of material.

### **12.5 Disposal Method**

No hard and fast rule can be laid down to determine the best method of disposing the destructed items due to environmental conditions and other factors. However, where possible all items should be burnt, buried or discarded in a manner least damaging to the environment.

### **12.6 Survey Committee**

A Survey Committee as appointed by the Store Owing Formation shall witness the destruction of all material and will record certificate indicating that the material has been destroyed in accordance with this procedure.

## **12.7 Documentation**

When an items is destroyed, the members of the Survey Committee will prepare and sign a Store Requisition/any other document indicating description, the stock code and quantity of the items destroyed. On the basis of this document the items will be removed from the books of the Store Owning Formation.

## CHAPTER 13 - FINANCIAL POWERS

### 13.1 General

The competent Authority and financial limits to approve and dispose off any item are outlined in the latest revision/amendment to the Book of Financial Powers.

- (a) The Authority approving the survey report is supposed to ensure that:-
  - (i) The reserve price has been fixed correctly keeping in view the market trend and condition of stores.
  - (ii) The material to be disposed off is no more required.
- (b) The Authority exercising the powers to accept the bids is supposed to ensure.
  - (i) Comparison of the bid price with the reserve price.
  - (ii) Previous offers for the stores under approval and market rates
  - (iii) Current offers for the similar stores.
  - (iv) Possibilities of the deterioration of the material.

### 13.2 Powers to Approve the Survey Reports

Declaration of store materials, instruments, tools & plants, equipment and vehicles including spare parts as surplus, unserviceable or scrap.

Nature of Power	Competent Authority	Extent of Monetary Limit
To declare store materials, instruments, tools & plants, equipment and vehicles including spare parts as surplus, unserviceable or scrap	i. Chief Executive Officer	Full Powers
	ii. General Manager (Technical)	Rs. 25 lacs in each case
	iii. Manager (Disposal)	Rs. 15 lacs in each case
	or officers of equivalent status / Manager (Transport) as convener of the condemnation board (for vehicles only)	

#### NOTE:

1. The declaration of store materials, instruments, tools & plants, equipment and vehicles including spare parts as surplus, unserviceable or scrap shall be made subject to the conditions laid down in Disposal Procedure and on the recommendation of a Committee constituted for the purpose by the General Manager (Technical) concerned as given in the disposal Procedure. However, it shall also include a representative of Finance/Accounts not below the rank of a Grade-17 officer.

2. Amount indicated above refer to the reserve price of store material, etc.
3. General Manager (Technical) / Head of division may delegate the power to Manager/Officer of equivalent status up to Rs. 10 Lacs.

### 13.3 Powers to Accept the Bids.

Disposal of surplus store materials, instrument, tools & plants, equipment and vehicles including spare parts.

Nature of Power	Competent Authority	Extent of Monetary Limit
(1) To dispose off store materials, instruments, tools & plants and equipment declared as surplus, unserviceable or scrap by the competent authority mentioned above	i. Chief Executive Officer  ii. General Manager (Technical)        iii. Manager (Disposal)	Full Powers  a) Rs. 1.5 crores if bid price is equal to or more than the reserve price. b) Rs. 30 lacs if bid price is 75% of the reserve price or more. c) Rs.15 lacs if bid price is less 75% of the reserve price.  a) Rs. 15 lacs, if bid price is equal to or more than reserve price. b) Rs. 3 lacs, if bid price is 75% of the reserve price or more. c) Rs. 60,000/- if bid price is less than 75% of the reserve price.
Managers and officers of equivalent status may however, exercise the powers up to Rs.15,000/- with the approval of Disposal Directorate, where bid price is above reserve price.		
(2) To dispose of vehicles declared as unserviceable by the competent authority mentioned above	i. General Manager (Technical)  ii. Manager (Disposal)	Full Powers  a) Rs. 1.5 crores, if a bid price is equal to or more than the reserve price. b) Rs. 30 lacs, if bid price is 75% of the reserve price or more. c) Rs. 15 lacs if bid price is less than 75% of the reserve price.

#### NOTE:

- i. The above powers will be exercised strictly in accordance with the conditions laid down in DISCO's Disposal Policy.

- ii. Amounts indicated above refer to the reserve price.
- iii. Disposal of all serviceable material would be in accordance with the disposal policy.
- iv. The amounts indicated above refer to the reserve price of each lot when stores are sold in lots, and to the reserve price of each item when sold item-wise.

### **Miscellaneous**

- a. Please refer to the Book of Financial Powers and under the head 'POWERS FOR DISPOSAL OF DISCO PROPERTY' for powers delegated to the officers of the Store Owning Formation for the materials to be disposed off by them.
- b. Above power is subject to revision in accordance with the amendment issued from time to time by DISCO.

## **CHAPTER 14 - TRANSFER OF SALE PROCEEDS**

### **14.1 General**

The successful bidders are required to deposit the total bid amount into the designated bank account as laid down in their letters of acceptance.

The Budget & Accounts Officer, assigned to the Disposal organization shall maintain a disposal collecting receipt cash book to record the details of all transactions of the collection bank account. He/she is also responsible to reconcile the balance of the cash book with the corresponding bank statement.

### **14.2 Responsibilities for Transfer of Sale Proceeds**

The Budget & Accounts Officer on behalf of Manager (Disposal) shall be responsible for the transfer of the deposited amount (as mentioned above) to the respective Managers Finance.

### **14.3 Transfer of the Amount Deposited by Bidders**

The cash deposited by the bidders will be transferred on monthly basis in the 1<sup>st</sup> week of the following months through (Account Payee) bank cheques prepared and issued by the Budget & Accounts Officer of Manager (Disposal). He/she shall also prepare a statement (Exhibit '14-1') showing the details of the amount deposited which will be annexed with the cheques to be sent to the Manager Finance concerned.

The Budget & Accounts Officer will make arrangements for prompt delivery of the cheques along with the statement through special messenger to the concerned offices.

### **14.4 Credit Advice to the Concerned Accounting Units**

The Managers Finance concerned will issue credit advices to the concerned accounting units within their jurisdiction in the corresponding monthly account. The concerned formations should contact their Manager Finance for missing credits of the material sold, if any.

\_\_\_\_\_ **ELECTRIC SUPPLY COMPANY (Name of DISCO)**

Detail of amounts deposited by successful bidders into bank account No. \_\_\_\_\_ with bank \_\_\_\_\_ of General Manager (Technical) during the period from \_\_\_\_\_ to \_\_\_\_\_ creditable to \_\_\_\_\_

Sr. No.	Bank Challan No. & Date	Amount deposited	Total Bid Amount	Tender Number	Survey Report No. & Date	Letter of Acceptance No. & Date	Name of Store	Formation to be Credited	Remarks

#### NOTE

In the case of Auctions where full bid money is received and Release Order is issued the reference of Release Order will be given in place of Letter of Acceptance.

