About the manual:

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Chapter-1
Introduction

LIST OF ACRONYMS

BOG	Board of Governors
HOD	Head of Department
HSA	Health Services Academy
IT	Information Technology
PO	Purchase Order
RFQ / RFP	Request for Quotation/ Request for Proposal

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A. SCOPE OF THE MANUAL

The Procurement Manual (this manual) sets out the Procurement and Purchasing Principles, Policies, Systems and Procedures to be adopted by Health Services Academy (HSA) and used as a Source Document for Guidance and Operational Instructions in conducting day-to-day Procurement, Purchasing, Contracting, and other related functions and activities. The Principles, Policies, Systems and Procedures narrated in the Manual shall be exhaustively adopted within the HSA with the objective to promote transparency, accountability and efficiency in the procurement process. The manual addresses the key phases of the procurement cycle, from procurement planning and issuing invitations to bid, to bid evaluation, supplier selection and contract award and management. It provides step-by-step instructions for desk officers and other hands-on procurement staff who are tasked with the responsibility of procurement. It also provides pertinent information for midlevel decision makers and general guidance for heads of procuring units on how to best support the procurement process.

This manual has been approved by the Board of Governors in their meeting on XX (Day) XXX (Month) 2012.

The Executive Director shall be responsible for the:

- Distribution of the manual to various process owners;
- Maintenance of the record of the holders of the manual; and
- Approval of the recommended modifications to existing accounting policies and procedures.

The Heads of Departments / Process Owners shall be responsible for the:

- Implementation of the manual; and
- Monitoring of compliance with the policies and procedures in the manual
- Receiving queries and modifications to the existing procurement policies and forwarding onwards to HOD – Procurement for clarification and approval.

The manual comprises of the following chapters which cover all the processes related to procurement:

- Introduction
- Organisational Chart
- Procurement planning and forecasting
- Vendor approval and registration

- Identification of requisition requirements
- Vendor pre-qualification and tendering
- Tender submission, opening and evaluation
- Issuance and approval of purchase order
- Low value purchases

All queries, matters, exceptions and modifications to the existing procurement policies and procedures in this manual should be addressed to the HOD - Procurement.

This manual provides a source of instruction and guidance to all employees of the HSA for the application of procurement policies and procedures. The procurement policies and procedures contained in this manual shall be complied with by all the employees of the HSA.

Where the employees of the HSA consider that they are unable, for any reason, to comply with the policies and procedures defined in this manual, they should refer the matter to the Executive Director for resolution through their respective HOD. However, general queries and clarification matters regarding this manual should be addressed to the HOD - Procurement.

B. OBJECTIVE

The objective of this Manual is to promote clarity, uniformity and consistency in the practices and applications in conducting HSA's Goods and Services Acquisition function by clearly defining responsibilities, authorities and functional parameters.

The objective of this Manual shall be met by ensuring the following:

a) That all Departments uniformly adopt and implement leading industry standard Procurement Practices, Policies and Procedures throughout HSA.

b) That Internal Controls are in place to safeguard the material and assets of HSA.

c) That execution and administration of Procurement, Contracting and Purchasing functions are conducted throughout HSA in a controlled and orderly manner.

d) That sufficient guidance and instructions are provided to the employees of HSA on the application of the Procurement Policies, Procedures and Systems.

e) That the Manual is used as a Standard for compliance, also to identify any missing controls that can be introduced through amendments into this Manual.

C. HISTORY OF HSA

Health Services Academy was established in 1988 as an autonomous department under the Federal Ministry of Health and now under the Cabinet Division, Government of Pakistan, provided short courses and training for public health professionals. Since its beginnings as a training institute, the Academy has grown steadily and has established itself as the premier institute of public health in Pakistan, looking to provide more academic programs in the near future, as well as providing an environment that focuses on excellence in academics, research, and policy-making.

Since all leading academic and research organizations require autonomous status in order to create an environment of academic excellence, the Ministry of Health promulgated an ordinance entitle *Health Services Academy Ordinance, 2002* , put into place in November, 2002. Following the implementation of this ordinance from July 1, 2003, the Board of Governors has been supervising the overall affairs of the Academy.

D. VISION, MISSION STATEMENTS AND CORE VALUES

D.1 VISION STATEMENT

To be a nationally and internationally recognised centre of excellence in Public Health, contributing to the health and well-being of the People of Pakistan and around the world.

D.2 MISSION STATEMENT

To strengthen the capacity of public health professionals by offering excellence in teaching, research, service and policy advice.

D.3 CORE VALUES

- Diversity
- Innovation
- Equity
- Ethics
- Academic Freedom

E. PROCUREMENT DEPARTMENT'S FUNCTIONS

The Procurement Department functions as an independent Operational Unit within the HSA, under the overall administrative and management control of Deputy Director (Administration). In conducting their functions and activities the Procurement Department appropriately coordinates, consults, and interacts with other Departments in a suitable manner.

HSA needs to procure a variety of goods and services for their projects, maintenance, operations, and internal uses. Range of goods and services may include printing and related items, stationary items, furniture and fixture and machinery and equipment in addition to the routine petty purchases.

The Procurement Department Function provides appropriately controlled purchasing activity covering the entire procurement cycle from Procurement Planning, End User Requisition, Vendor Pre-Qualification, Vendor Registration, RFQ / RFP / Tender / Opening and Evaluation, Negotiation, Recommendation for Award, Approval of Vendors for Award of Contracts, Finalization of Contracts, and issuing Purchase Orders (POs), as well as Post Contracts / PO follow up activities.

Such Procurement Process is fully controlled by the Use and Adaptation of Procurement Policies, procedures and Systems that ensures progressive and Industry Standard Best Practices. Procurement Department is responsible to facilitate all End User's Procurement requests within the framework of HSA Procurement Manual, Delegation of Authorities, and User Authority Matrix ensuring that all Goods and Services obtained from various sources meet the quality, standard cost, and specification and requirements of HSA.

F. DISTRIBUTION OF THE MANUAL AND PHYSICAL SECURITY

The Procurement Manual of the HSA shall be available to the users in the following two forms:

- a hard copy available with the Procurement Department; and
- an electronic copy (read only) available on HSA's website, access to which will be given by the IT Department, through secure password.

Distribution of the manual whether in the form of a hard copy or an electronic copy is the responsibility of the Executive Director.

Distribution of this manual, in whole or part, shall be to only those personnel who will have to act on the basis of this manual or who would require guidance to carry out their day to day work.

Where a hard copy is required, it shall be provided against an approved request. The Procurement Manual request shall contain the following information:

- Date;
- Manual version number;
- Manual description;
- Custodian;
- Custodian designation;
- Signature of the requesting HOD; and
- Signature of custodian for accepting the manual.

A register shall be maintained by the HOD – Procurement, in which the details of the department / personal to whom the manual is issued, shall be entered. Each hard copy of this manual shall be numbered and entered into the register prior to issuance.

The Executive Director shall also ensure that all the relevant people in the Procurement Department and other end user departments are aware that there is an electronic copy available on HSA's website and shall provide a secured access through password to the relevant personnel.

Where access to this manual is being given through the website password (electronic copy) it shall be authorised by the IT department on the basis of a request approved by the HOD – Procurement and Executive Director.

The IT Department shall have a record of the personnel to whom electronic access of the manual has been provided.

The contents of this manual are confidential and should not be copied (physically or electronically) or distributed outside HSA either in whole or in part without the prior written approval of the Executive Director. Any employee who is given access to this manual shall be required to sign an undertaking in this regard.

Where there is a change of responsibility of an employee, the copy / access that the employee has of / to this manual should be handed over to the new employee and this action shall be documented in the previous employee's handing over notes.

Where an employee leaves the employment of the HSA without another employee taking over his duties, then the copy of this manual should be returned to the HOD prior to his / her departure.

G. PROCEDURES FOR UPDATING THE MANUAL

G.1. GENERAL

It shall be the responsibility of the HOD- Procurement Department to ensure that the Manual is regularly updated. Periodic reviews and updating of the Manual shall be carried out by the HOD- Procurement Department as and when deemed necessary.

The Manual may require amendments under any or all of the following reasons and circumstances:

- Additional Policies and Procedures consequent to introduction of new services, financial reporting requirements, level of automation or changing needs of the organization;
- Improvements to existing policies and procedures ; and
- Deletions, for example, due to superseded or redundant Policies and Procedures.

The manual shall be reviewed after each five years for any required amendments and updations deemed necessary.

Changes to this manual shall be reviewed and recommended by the respective Heads of Departments. The respective Heads of Departments shall send the Manual with recommended changes to the designated Manager in Procurement Department who shall review it and if in agreement, shall forward the same to the HOD- Procurement Department who shall have to submit the same to the executive / anomaly committee and they shall finally recommend the changes for approval of Executive Director.

G.2. AMENDMENT TO THE MANUAL

All requests for amendments to the final version of the Procurement Manual shall be documented on a request using the Amendment Form specified for this purpose. The Request for Amendment Form shall be raised by the respective Head of Department. *Please refer Annexure A for a copy of "Request for Amendment Form"*.

Where a new service is planned to be introduced, such a request shall be accompanied with a detailed description of the service and approved operational procedures.

The Request for Amendment Form shall be forwarded to HOD – Procurement by the respective HOD, who shall review and submit it to the anomaly committee and they will recommend it to the Executive Director for approval and include all the changes in agenda for the forthcoming meetings of the executive committee and Board of Governors for approval.

G.3. AMENDMENT CONTROL LOG

A central repository of all amendments made shall be maintained in an Amendment Control Log by the HOD – Procurement and shall form part of each chapter in this manual for the reference of those who shall not receive Request for Amendment Form. *Please refer to "Annexure B" for a copy of "The Amendment Control Log"*.

G.4. AMENDMENT TO THE HARD COPY

Any amendment to this manual shall warrant a reprinting of the affected chapter and issuance to those users who are holding hard copies. This shall be so due to the amendment of the version number of the chapter which shall be changed by the Procurement Department.

On receiving the approved Request for Amendment Form, the Procurement Department shall incorporate the changes in the electronic copy of the manual and then make the necessary printouts.

In the interest of economising one may choose to reprint only the modified pages. This is possible when a modification does not change the page number on which any subsequent sub headings can be found. In this case the affected pages may physically be removed from the existing copy of this manual and new pages inserted to replace them.

Where a modification shall change the page number on which a subsequent sub heading can be found then the affected chapter shall physically be removed from the existing hardcopy of this manual and the updated chapter shall be reprinted and inserted in this manual.

G.5. AMENDMENT TO THE ELECTRONIC COPY

The original electronic file containing the respective chapter that needs amendment shall be copied and saved with a revised version of month___ or year ____ by the IT Department, thus ensuring that the original file remains unchanged and revised copy may be placed in the file.

The amended electronic copy shall be forwarded to the IT department for replacing the existing electronic copy on the website with the amended electronic copy.

H. DOCUMENT CONTROL

H.1. STANDARD FORMS AND FORMATS

All departments shall adhere to and use the standard forms prepared and distributed. The standard templates (wherever manual documentation takes place) shall be provided to each department.

The Deputy Director shall be responsible for the printing and production of forms and providing the same to department to ensure consistency throughout the HSA.

Any changes to forms shall be well justified to the HOD – Procurement before they can be approved by Executive Director.

Data entry on the computer system must be supported by a serially numbered data entry forms. These forms will either be pre-numbered or will be assigned numbers manually.

All pre-numbered forms must be held with one individual in the department and must be filed with that individual. All original cancelled pre-numbered forms will be retained as record of their cancellation. All numbers in the serial must be accounted for at any point in time.

For forms requiring manual numbering and utilising a serial number, one individual must maintain a register of the used serials. It will also be this individual who assigns the next serial number to a form as per the register. All used serials must be accounted for and supported by a numbered form at any point in time.

The HOD – Procurement shall periodically assign an employee of the department to verify that all serial numbered forms are accounted for by reviewing the audit trail. Any missing serials must be investigated and the problem rectified.

In preparation of any form all blank lines and / or spaces shall be crossed out before the form is approved.

H.2. ERASURES AND ALTERATIONS

Modification of forms must be conducted very carefully. If an internal form's details have not been posted into the system and the form needs to be modified one of two things may be done:

- If the form is pre-numbered then the mistake shall be crossed out in pen, the correct value recorded and the individual making the modification shall initial the form where the alteration has been made. Correcting fluid shall not be used to make alterations; and

- If the form's serial number is manually entered on the form from a register then the form itself shall be destroyed and a new one with the correct details on it shall be prepared.

H.3. RETENTION AND DISPOSAL

H.3.1 Policy for Retention Periods

All documents shall be retained for a period of ten years, the responsibility of which shall be of the respective Heads of Departments. Upon expiry of the retention period the documents shall be destroyed.

Retention periods shall begin at the end of the financial year in which the document was created and settled. Where a document is being disputed then the retention period shall begin at the end of the financial year in which the dispute and the document are settled.

Retention periods shall end at the end of the financial year in which the document completes the retention period, after which the document shall be destroyed.

Where a document is to be maintained forever then the retention period shall be 'Indefinite' (e.g. legal documents, etc). Documents that shall be maintained for an indefinite period of time must be kept to a minimum which shall be ensured by the respective HOD.

H.3.2 Storage of Documents

Documents shall be stored in fire resistant filing cabinets for one year, within the access of the employees using the documents. The contents of each cabinet shall be labelled clearly to allow quick retrieval of documents when required.

After completion of the external and donor audit for a particular year, the documents shall be moved to fire resistant filing cabinets in the Archives section (Stores).

H.3.3 Destruction/ disposal of Documents

All documents shall be destroyed upon expiry of their retention period but those documents which are required in audit peras, DAC, PAC are required in the court of law would not be destructed or disposed off till the finalization. If any documents labelled 'Indefinite' are seen, for a valid reason, to warrant disposal, approval shall be sought from HOD - Procurement, after which the document may be destroyed.

H.3.4 Method of Destruction/ disposal

The method of destruction of documents shall be left to the discretion of the HOD - Procurement, but the following principles must be observed.

- All confidential documents must be either burned or shredded;
- Other documents shall be disposed off in the fastest, most economical and environment friendly manner;
- Destruction of documents must be supervised by a disposal committee appointed by the Executive Committee.

ANNEXURE 1.A – REQUEST FOR AMENDMENT FORM

HEALTH SERVICES ACADEMY

REQUEST FOR AMENDMENT FORM

Amendment No _____ Date of Amendment ___/___/___

Chapter	Section / sub section	Page reference	Type of amendment (addition / deletion / modification to an existing policy or procedure)	Description of amendment and reasons for amendment

Name of Proposer	Signature of Proposer	Reviewed by	Approved by
_____	_____	_____	_____

ANNEXURE 1.B – AMENDMENT CONTROL LOG

HEALTH SERVICES ACADEMY

AMENDMENT CONTROL LOG

Amendment No	Date of amendment	Description			Amended by
		Chapter	Section / sub section	Page No. inserted / deleted / amended	

Prepared by: Reviewed by: Approved by

ANNEXURE 1.C – RESPONSIBILITY MATRIX

ACTIVITY	ALL HOD	HOD – PROCUREMENT / ADMIN	EXECUTIVE DIRECTOR	BOARD OF GOVERNORS
Manual Distribution			Overall Responsibility	
Approval of recommended modifications			Approve and submit to BOG	Concurrence
Implementation of Manual	Responsible			
Receiving queries & onwards liaison	Receive Queries and proposed to ED	Liaison with ED for approval		
Non-compliance issues resolution			Clarify and approve	
Maintain hard-copy manual for distribution		Responsible		
Maintain soft-copy manual for distribution	Responsible (IT)			
Manual access approval		Recommend	Approve	
Manual periodical updation		Responsible		
Maintaining amendment control log		Responsible		

Updating hard-copy manual for amendment approval		Responsible		
Updating soft-copy manual after amendment approval	Responsible (IT)			
Changes to forms		Responsible		
Verification of form's serial numbers		Responsible		
Record retention	Responsible	Responsible		
Record storage (delegate to officer level)	Overall Responsibility	Responsible		
Destruction method approval		Approve		
Destruction of documents (Indefinite labelled)		Approve		
Appointment of supervising committee (destruction of records)			Approve	

Chapter-2

Organisational Chart (Procurement Function)

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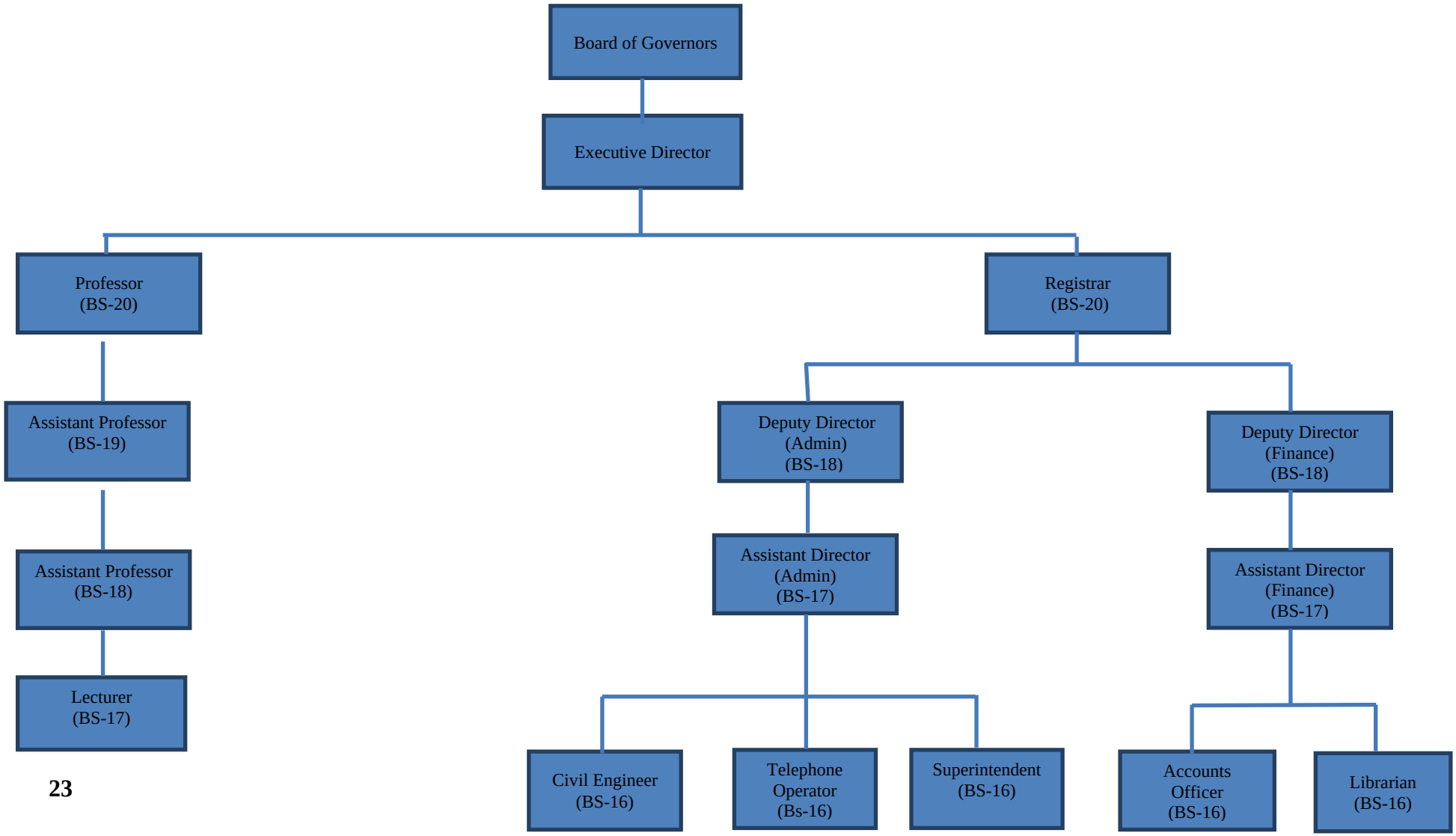
B. SCOPE OF CHAPTER

This chapter outlines the structure of procurement function within the overall organisational structure of Health Services Academy (HSA).

C. ORGANISATIONAL CHART



Chapter 3

Procurement planning and Forecasting

LIST OF ACRONYMS

BOG	Board of Governors
HOD	Head Of Department
HSA	Health Services Academy
PLD	Procurement Lead Time
PPRA	Public Procurement Regulatory Authority
RA	Relevant Authority

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ANNEXURE:

Annexure-3.A Annual Procurement Plan
(For Capital and Operating Expenditure)

Annexure-3.B Consolidated Annual Procurement Plan

A. SCOPE OF CHAPTER

This chapter states the policies and procedures of Health Services Academy (HSA) relating to the preparation of annual procurement plans.

All the procurements to be made by HSA shall be budgeted and approved by the BOG at the start of the fiscal year in form of the annual budget. Major purchases shall be planned and budgeted in a manner consistent with the HSA's budget process, governance mechanisms and management reporting processes. Process of procurement planning shall be integral part of the HSA's annual budgeting and planning cycle which has been discussed in the 'Budget and planning' chapter 5 of the Financial Management Manual.

This chapter covers the following areas:-

- Preparation and approval of procurement plan for:
    - Operating expenditure, and
    - Capital expenditure
- Revisions to procurement plan.

After the finalisation of procurement plan, HSA shall enter into agreements / contracts in accordance with the established procurement procedures, or carry out bidding exercises on case by case basis, for supply of goods and services as discussed in detail in remaining chapters of this manual.

B. DEFINITIONS

For the purpose of this chapter following terms shall have given descriptions:

B.1. END USER

'End User' shall refer to any section or department of HSA consuming the goods, or utilising the services procured. End users shall be responsible for planning of their procurement of goods and services and raising purchase requisitions in accordance with the established procurement procedures.

B.2. PROCUREMENT

'Procurement' shall refer to the process which covers all activities involved in purchasing, contracting, and sourcing or tendering within an organisation. This entire process shall be administered by the Procurement Unit in HSA.

B.3. PROCUREMENT PLAN

'Procurement Plan' shall refer to a plan with estimate of the materials and services required for a planned period of time. The procurement plan shall consist of the following elements:

- Department, section, region, location, and end user.
- Type/ quantity of materials and services required, including ordering and delivery time.

B.4. PROCUREMENT LEAD TIME

'Procurement Lead Time (PLD)' shall refer to the total amount of time taken from the time of raising the purchase requisition to the time the requisitioned material or service has been delivered to requesting end-user, project, or department. PLD shall include the processing time of the purchase order, manufacturing and delivery time, and the time taken for transportation, clearance and movements, all in the cumulative manner.

C. POLICIES

This section contains policies for following aspects of procurement planning:

- Procurement planning for capital expenditure
- Procurement planning for operating expenditure
- Consolidated annual procurement plan
- Revision to Procurement Plan
- Advertisement of annual procurement plan
- Record of procurement proceedings

C.1. PROCUREMENT PLANNING FOR CAPITAL EXPENDITURE

- End user departments shall prepare their lists of proposed capital expenditure on the basis of their approved Capital Expenditure budgets and forward it to Procurement Unit within 30 working days of the approval of annual budget by BOG.

- Based on the input received from various departments, Procurement Unit shall prepare capital expenditure plan within 15 working days of the receipt of such input from end user departments. Plan prepared by the Procurement Unit shall be reviewed by Procurement Manager before forwarding it to HODs of respective end user departments for review and approval. Concerned HODs shall approve the final Procurement Plan for capital expenditure

C.2. PROCUREMENT PLANNING FOR OPERATING EXPENDITURE

- Based on the approved annual operating expenditure budget, Administration Department and end users shall forward their purchasing requirements to the Procurement Unit within 30 working days of approval of annual budget by BOG.

- Procurement Unit shall prepare a plan for such expenditure based on requirement received from end user departments within 15 working days of receipt of such input.

- Plan prepared by the Procurement Unit shall be reviewed by Procurement Manager before forwarding it to HODs of respective end user departments for review and approval. HODs shall approve the final Procurement Plan for operating expenditure for their respective departments.

C.3. CONSOLIDATED ANNUAL PROCUREMENT PLAN[1]

- A Consolidated Annual Procurement Plan shall be prepared by the procurement unit from the procurement plans for capital and operating expenditure for the purpose of senior management reporting and for advertisement on PPRA website.

[1] Rule 8 of the Public Procurement Rules 2004

C.4. ADVERTISEMENT OF ANNUAL PROCUREMENT PLAN ON PPRA WEBSITE[2]

Within 15 days of the approval of the consolidated annual procurement plan, the annual procurement requirements determined in the annual procurement plan shall be advertised on the Public Procurement Regulatory Authority (PPRA) website as well as on the official website of the HSA.

[2] Rule 9 of the Public Procurement Rules 2004

C.5. REVISION OF PROCUREMENT PLAN

In case of periodic revision to budgets; the related Procurement Plan submitted to Procurement Unit shall be revised. Please refer to chapter 5 titled Budget and Planning of Finance and Accounting Manual for details on periodic budget revision. The revised Procurement Plan shall be prepared, approved and communicated in a similar manner in which the original Procurement Plans were prepared, approved and submitted.

C.6. RECORD OF PROCUREMENT PROCEEDINGS[3]

Procurement unit shall keep a record of their procurement proceedings including annual work plans for a minimum period of five years. In addition the documents and records required for actions pending in court of law or audit etc. shall be retained till final decision.

[3] Rule 46 of the Public Procurement Rules 2004

D. PROCEDURES

Process of procurement planning shall be an integral part of the HSA's annual budgeting and planning cycle. Inputs for the procurement plan shall be obtained from end user estimates prepared for their annual budget. This chapter contain procedures for the following aspects of procurement planning:

- Procurement planning for capital expenditure
- Procurement planning for operating expenditure
- Consolidated annual procurement plan
- Advertisement of annual procurement plan
- Revision to Procurement Plan

D.1. PROCUREMENT PLANNING FOR CAPITAL EXPENDITURE

- A designated person in each of the end user department shall prepare a list of proposed capital expenditure on the basis of approved Capital Expenditure budgets for the respective department.

- The list of proposed Capital Expenditure shall be reviewed by designated managers and approved by the HOD in respective department. The list of proposed Capital Expenditures shall then be forwarded to Procurement Unit for preparation of procurement plan.

- Based on the input received from end users, a designated coordinator in Procurement Unit shall prepare a 'Capital Expenditure Procurement Plan' for items / services to be procured. *Please refer to Annexure-A for a copy of format of 'Annual Procurement Plan (for Capital Expenditure)'*.

- The procurement plan shall include details of all items required over the fiscal year along with the estimated dates/time lines of such requirement corresponding to various projects.

- Estimated time as to when the items / services would be required during the year shall also be confirmed in the requisitions. This shall enable the Procurement Unit to calculate the estimated time by when the procurement process shall be initiated considering the procurement lead time. The procurement plan shall be matched with the purchase requisitions received from the end users and shall be updated accordingly, if required.

- The capital expenditure procurement plan shall be prepared by the designated Procurement Coordinator and reviewed by the Procurement Manager, in Procurement Unit, and then reviewed and approved by HODs in the respective end user departments.

D.2. PROCUREMENT PLANNING FOR OPERATING EXPENDITURE

- A designated person in each of the end user department shall prepare a list of proposed operating expenditure on the basis of approved Operating Expenditure budgets for the respective department. These requirements shall be reviewed by HODs of the respective departments. The same shall be forwarded to Procurement Unit for preparation of a procurement plan. The Procurement Unit shall prepare the Procurement Plan for mentioned categories based on requirement received from respective departments.

- The designated coordinator in Procurement Unit shall prepare an 'Operating Expenditure Procurement Plan' for items / services to be procured. *Please refer to Annexure-A for a copy of format of 'Annual Procurement Plan (for Operating Expenditure)'*.

- The procurement plan shall include details of all items required over the fiscal year along with the estimated dates/time lines of such requirement.

- Estimated time as to when the items / services would be required during the year shall also be confirmed in the requisitions. This shall enable the Procurement Unit to calculate the estimated time by when the procurement process shall be initiated considering the procurement lead time. The procurement plan shall be matched with the purchase requisitions received from the end users and shall be updated accordingly, if required.

- The operating expenditure procurement plan shall be prepared by the designated Procurement Coordinator and reviewed by Procurement Manager, in Procurement Unit, and then reviewed and approved by the directors in the respective departments.

D.3. CONSOLIDATED ANNUAL PROCUREMENT PLAN

- The annual procurement plans for capital and operating expenditure shall be consolidated by the procurement unit for the purpose of senior management reporting and advertisement on PPRA website. *Please refer to Annexure-B for a copy of format for 'Consolidated Annual Procurement Plan'.*

- The following sources shall provide the information necessary to devise an Annual Procurement Plan:

  - Records of Past Usage or Consumption
  - Forecasts of Future Usage or Consumption
  - Changes in Technology or Specification
  - Information on Price Trends
  - Senior Management and the Finance Section for information on budget trends
  - Senior Management for Annual Work Plans

- Draft Consolidated Annual Procurement Plan shall be finalized within 15 days of the approval of Annual Procurement Plans for Capital Expenditure and Operating Expenditure respectively.

- Each major procurement requiring open competitive tender or pre-qualification shall be treated as a separate "project", with a required start date, defined tasks, and deadlines to assist in work planning.

D.4. ADVERTISEMENT OF ANNUAL PROCUREMENT PLAN ON PPRA WEBSITE

The following process shall be required for advertisement of annual procurement plan:

- List all the individual procurements that will require procurement by different procurement methods (i.e., the Open Tender, Direct Contracting or Negotiated Tendering) in the forthcoming financial year;
- Provide the name, telephone number and email address (if available) of a contact person within HSA to whom enquiries should be addressed;
- Request the PPRA to post the list with the organization's name, address, telephone number, email address (if available) and name of the nominated contact person on the PPRA website; and
- Copy of the item list and the covering letter to the Relevant/ Competent Authority of the parent ministry.
- Keep a copy of the list and the letter on file for a minimum of five years. In addition the documents and records required for actions pending in court of law or audit etc shall be retained till final decision.

D.5. REVISION OF PROCUREMENT PLAN

Procurement plans shall be reviewed on a quarterly basis and adjustments made, if required. Changes to an annual procurement plan may be required due to:

- Shortage of funds
- Late release of funds
- Unexpected availability of supplementary funds
- Delays in obtaining necessary approvals from senior management
- Failure of contractors to supply as contracted, necessitating re-bidding

Annexure-3.A

ANNUAL PROCUREMENT PLAN
(to be prepared separately for Capital Expenditure and Operating Expenditure)

Procuring Agency:
Ministry / Division:
Period:

S No.	Description of procurement items	Units	Qty	Procurement method and type	Contract approving authority	Source of funds	Estimated cost (Rs)	Timeline	Advertise tender	Tender opening	Tender evaluation	Approval to Award	Notification of Award	Signing of contract	Anticipated Delivery date	Completion of contract	Total time (Days)
								Planned dates									
								Planned days									
								Actual days									
								Planned dates									
								Planned days									
								Actual days									
								Planned dates									
								Planned days									
								Actual days									
								Planned dates									
								Planned days									
								Actual days									
Total value of goods/ services																	

Prepared by: **Reviewed by:** **Approved by:**
Date: **Date:** **Date:**

Annexure-3.B

CONSOLIDATED ANNUAL PROCUREMENT PLAN

Procuring Agency:
Ministry / Division:
Period:

S No.	Description	Capital Expenditure			Operating Expenditure			Total
		Units	Qty	Estimated Cost	Units	Qty	Estimated Cost	
A	**Procurements of Goods**							
B	**Procurements of Services**							
C	**Procurements of Civil Works**							
	Total:							

Prepared by: **Reviewed by:** **Approved by:**
Date: **Date:** **Date:**

Chapter 4
Vendor Approval
And
Registration

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A. SCOPE OF CHAPTER

This chapter states the policies and procedures of Health Services Academy (HSA) related to vendor management.

Vendors shall be registered in order to develop a comprehensive database of vendors for procurement of quality goods /consultancy services / works including works contracts, annual maintenance contracts leading to value for money.

HSA shall source its required materials and services from the pool of registered vendors maintained in vendor database.

This chapter covers the policies and procedures for the following:

a) Registration of vendors.

b) Evaluation and approval process for vendors.

c) Monitoring of vendor performance.

d) Renewal of vendor registration.

e) Vendor performance evaluation and certification process.

f) Termination of vendors.

g) Periodic review of vendor master file

B. DEFINITIONS

For the purpose of this chapter following terms shall have given description:

B.1. VENDOR

A vendor shall be any person or business organization that sells or qualifies to sell material or services to HSA.

B.2. VENDOR REGISTRATION

Vendor registration shall be a process through which vendors are selected; thereafter the details of approved vendors are recorded in the vendor master file by HSA.

B.3. VENDOR MASTER FILE

A vendor master file shall be a file where all relevant details of the approved vendors shall be maintained including information about the ownership structure, legal status, nature of products/ services and contact details.

B.4. VENDOR EVALUATION COMMITTEE

Vendor Evaluation Committee shall be a committee established to evaluate whether the vendor meets the criteria for registration as established in the ‘Vendor Evaluation Form’ and ‘Vendor Performance Form’.

C. POLICIES

This section contains policies for following aspects of vendor approval and registration

- Vendor registration
- Vendor evaluation
- Updating of vendor master files
- Monitoring vendor performance
- Renewal and termination of vendor registration
- Review of vendor master file
- Record keeping

C.1. VENDOR REGISTRATION

The vendor registration process shall be mandatory for all the vendors intending to supply materials or services to HSA. Vendors shall be registered only after they are successfully evaluated by Vendor Evaluation Committee. The registration process shall be performed under the administration of Procurement Unit and shall include obtaining particulars of potentials vendors, presenting and coordinating them with Vendor Evaluation Committee, intimating successful vendors and updating vendor master file.

Vendor registration shall be performed by HSA for all vendors who supply or qualify to supply Materials and Services to HSA, except in case of Petty Cash Purchases. Please refer to chapter xx of Financial Management Manual.

C.2. VENDOR EVALUATION

After the vendors have applied for registration, they shall be evaluated on the basis of the criterion stipulated in the 'Vendor Evaluation Form' by the Vendor Evaluation Committee. In order to qualify for registration, the aspiring vendor must meet or exceed all requirements and standards as set forth by the Procurement Unit. Such standard shall vary for different types of goods and services to be provided to HSA.

C.3. VENDOR EVALUATION COMMITTEE

HOD-Procurement shall constitute a vendor evaluation committee, after approval of Executive Director, established to evaluate whether the vendor meets the criteria for registration as established in the 'Vendor Evaluation Form' and 'Vendor Performance Form', (applicable in case of re registration). Vendor Evaluation Committee shall comprise of a member from Procurement Unit, member from the end user department and member from Finance Department. The final authority to approve the registration of vendor shall remain with Executive Director.

C.4. COMMUNICATION TO THE VENDORS

It shall be the responsibility of Procurement Officer through Deputy Director (Admin) to formally intimate vendors in writing the results of evaluation process.

C.5. UPDATING THE EXISTING VENDOR DETAILS

The details of the vendor information shall be changed upon the request of the vendor. The designated person in the Procurement Unit shall update the change in the master file which shall be approved by HOD-Procurement.

C.6. MONITORING OF VENDOR PERFORMANCE

Performance of all vendors supplying goods and services to HSA over the value of Rs 500,000 against a single Contract shall be evaluated at the completion of each contract.

In case of critical requirements / works, end users or Procurement Unit shall initiate the vendor Performance Evaluation requirement at the completion of each Contract/ PO, even for procurement below the value of Rs 500,000.

In general, performance of all registered vendors supplying goods and services to HSA on a regular basis shall be evaluated on an annual basis.

Based on such vendor performance evaluation a vendor may be removed from the registered vendor list if evaluation is not satisfactory and a case shall be forwarded for blacklisting.

C.7. RENEWAL OF VENDOR REGISTRATION

The registration of any particular vendor shall be valid for five years from the date of such registration, after which it shall be renewed upon the vendor's request

Renewal date shall be monitored by Procurement Officer. Reminder for renewal of registration shall be sent to the vendors three months before the expiration of the registration. Vendor performance evaluation shall be carried out at the time of registration renewal by the Vendor Evaluation Committee. Vendor registration renewal shall require positive performance evaluation and the other entire registration requirement, as in case of a new vendor.

C.8. TERMINATION OF VENDOR REGISTRATION

Vendors' registration can be terminated if they do not perform/adhere to the established criteria developed by HSA in this regard.

On the recommendation of HOD-Procurement through Deputy Director (Admin), Executive Director shall be the final authority to approve the termination of vendor registration.

After the approval of termination the designated person in Procurement Unit shall remove the terminated vendor form vendor's master file.

C.9. REVIEW OF VENDOR MASTER FILE

Vendor master files shall be reviewed on a quarterly basis by a designated person in the Procurement Unit. A vendor Master File Report shall be generated by the designated personnel. This report shall examine the correctness and integrity of any changes and amendments done to the vendor master files during the previous quarter.

After having approval of Executive Director, access to make changes in the vendor master file shall be restricted only to an authorized Official in the Procurement Unit.

C.10. EXCEPTIONS TO THE PROCEDURES

In case of certain critically needed benefits in favour of HSA as assessed to that effect by the HOD-Procurement with the approval of Executive Director, the vendor shall be registered or their registration shall be continued even if the vendor does not fully satisfy the registration requirements. This shall be decided, on a case to case basis, based on the written recommendations received from the end user departments or the Procurement Officer.

C.11. RECORD KEEPING FOR VENDOR REGISTRATION

Procurement Unit shall maintain complete records and adequate files (hard copy) of all registration activities. Master file including Vendor Registration Forms, Evaluation Forms, Change in Vendor Information Forms, Performance Evaluation Forms and Termination Forms shall be kept in the custody of the Procurement Officer.

Such forms shall not be allowed to be removed from the file. Review or a request for copy of such form shall require approval of HOD-Procurement.

C.12. SYSTEM ACCESS

The access to add new vendor, editing information of existing vendors, or deleting existing vendor in the vendor Master File shall be restricted to the designated Procurement Officials in the Procurement Unit. No one may make any changes without approval of Executive Director.

End user departments shall also have the access to view (read only) the Vendor Master File.

D. PROCEDURES

Process for vendor registration and approval at Head Office has been divided into the following sub processes:-

- Handling of registration and documentation.
- Vendor evaluation process.
- Vendor communications.
- Updating existing vendor details.
- Monitoring of vendor performance.
- Renewal of vendor registration.
- Termination of vendor registration.
- Review of vendor master file.
- Maintenance of records for vendor registration.
- System access.

D.1. VENDOR REGISTRATION

D.1.1.Types / sources of vendor registration

Vendor registration process shall be initiated upon , direct requests from the interested vendors or on successful pre-qualification of vendor. For details of Vendor Pre-Qualification Process, please refer to Chapter 6 of this Manual.

The process flow for registration shall be as follows:-

a) End users shall initiate the process by sending a request to the Procurement Unit, specifying the reasons for registering a vendor,

b) Upon receipt of the end user request by the authorized Procurement Official, a designated Procurement Official shall intimate the concerned vendor to proceed with the registration by providing a 'Vendor Registration Form'.

c) In case a vendor is interested in getting registered with HSA, the vendor shall obtain the 'Vendor Registration Form' from the procurement Unit. The form shall also be made available on the official website of HSA.

d) For vendors who have been pre-qualified by the Technical Evaluation Committee, designated Procurement Officer shall issue a Letter to the pre-qualified vendor together with Vendor Registration Form to initiate their registration process.

D.1.2.Initiating the registration process:

On receipt of a request for registration from the interested vendor, a Vendor Registration Form along with the relevant instructions shall be issued to the vendor by a designated Procurement Official. Please refer to Annexure – A for Vendor Registration Form.

The intending vendor shall complete and submit the Vendor Registration Form along with the required documents to the Procurement Unit.

The Procurement Officer shall assess the following:

- That all supporting documents have been provided by the vendor.
- That the required form has been completely and correctly filled by the vendor.
- That the declaration for confirming vendor details and agreeing with the HSA's terms and conditions mentioned in the registration form has been signed by the vendor.

D.1.3.Monitoring Vendor registration Status

The designated Officer in the Procurement Unit shall compile necessary details of the vendor in a report titled "Vendors Pending for Evaluation" at the time when Vendor Registration Form is received from the vendor.

The designated Procurement Officer shall enter the following information in report titled "Vendors Pending for Evaluation" from the Vendor Registration Form:-

- Vendor name
- Primary contact person (alongwith his CNIC number)
- Contact numbers / details (telephone number, fax number, email address, etc.)
- Registered address
- Brief categories of the company products & services
- Bank details & account number
- National Tax Number (NTN)
- Sales Tax Registration Number
- Payment and other relevant terms & conditions mentioned in the registration form.

All such Forms shall be stamped as 'Pending for Evaluation' and kept in a separate file in the custody of Procurement Officer.

D.2. VENDOR EVALUATION PROCESS

The interested vendor shall be evaluated for registration as per the criteria set in the 'Vendor Evaluation Form' by the Vendor Evaluation Committee. The vendor shall be evaluated by the respective end user departments for Technical Evaluation initially on the Vendor Evaluation Form, and then forwarded to the Procurement Unit for final evaluation.

D.2.1.Composition of Vendor Evaluation Committee

The Vendor Evaluation Committee shall be constituted for vendor evaluation by HOD-Procurement comprising of:

a)	HOD-Procurement	Member/ Chairman
b)	HOD-Finance	Member/ Secretary
c)	End user	Member

D.2.2.Evaluation process

Vendor Evaluation Committee shall perform the technical and financial evaluation of each vendor.

The member in the committee from the end user department shall perform the Technical Evaluation. Such member shall completely fill out the Vendor Evaluation Form and pass it on to the Procurement Officer. *Please refer to Annexure B & C of this chapter, for a copy of Vendor Evaluation Form for large and small vendors respectively*. The vendor evaluation shall focus on financial status, past experience and available technical support of the vendor in question.

The Vendor Evaluation Form shall be then reviewed by the Procurement Officer as the second member of the Evaluation Committee.

If vendor is technically capable for provision of service/goods to HSA, the designated person from Finance Department shall then also assess the financial situation of the vendor and provide comments on the vendor evaluation form.

The Vendor Evaluation Form for the qualifying vendors shall be sent to the HOD-Procurement for a final review and approvalj. HOD-Procurement, if satisfied with the evaluation, shall approve the vendor for registration by signing the Vendor Evaluation Form in original.

In case where the vendor is rejected by VEC, The Procurement Officer shall stamp "Rejected" on the Registration Form of the concerned vendors.

Non–qualifying vendors may be asked to reapply in the future as and when they are prepared to meet the HSA requirements, specified in the letter to be issued to the non-qualifying vendor.

D.2.3.Monitoring of vendors "Pending For Evaluation"

On a monthly basis, the Procurement Officer in the Procurement Unit shall prepare a summary of:

- The compiled report-'Vendors Pending for Evaluation' and,
- Vendors rejected during the period as a result of evaluation by Vendor Evaluation Committee.

Please refer to *Annexure D to this chapter, for a copy of Summary of vendors rejected & pending for evaluation report*.

The summary report shall be forwarded to HOD-Procurement. HOD-Procurement shall review the Summary Report and investigate any unusual delays, rejections; signing off on it as evidence of review. The Procurement Officer shall monitor the status of vendor registration to ensure that all processes are appropriately performed and completed as per procedure. Thereafter the HOD-Procurement shall inform the Deputy Director (Admin) about the above.

D.3. COMMUNICATION TO THE VENDORS

Through Deputy Director (Admin), the Procurement Officer shall formally inform the vendor in writing (through letter or email) about the successful registration.

If the vendor does not qualify for registration, Deputy Director (Admin) will formally inform the vendor about the same. However, the vendor may be asked to reapply as and when they meet the HSA requirements so that they may reapply.

D.4. UPDATING THE EXISTING VENDOR DETAILS

The details of the vendor information shall be changed after approval of Executive Director upon the request received from the vendor. This section deals with the update of the vendor Master File for changes or amendment of vendor details. The designated Procurement Officer shall ensure that vendor details are up-to-date.

D.4.1.Reasons for changing vendor details

All registered vendors shall duly provide updates in the event of any changes as provided in the Vendor Registration Form.

The need for change in the vendor information shall arise under the following conditions:-

a) Changes occurred in any of the information provided at the time of vendor registration,

b) Changes in the product line or services offered that may affect the service to the HSA, and

c) Changes in payment terms made by either vendor or the HSA.

In case of (a) and (b) above, the vendor shall be responsible to intimate the HSA's Procurement Unit.

D.4.2.Process for changing vendor's details

a) The Procurement Unit shall formally receive the request for change in vendor information on the vendor's official letter-head duly authorized by their company's representative(s) as identified and documented at the time of initial registration.

b) After receiving the request from the vendor, the Procurement Officer shall raise a manual 'Change in Vendor Information Form' and record the original and revised information on the manual form. *Please refer to Annexure E to this chapter, for a copy of the form to be used for change in vendor information.*

c) The 'Change in Vendor Information Form' shall be forwarded to the HOD-Procurement for the process of approval.

d) The HOD-Procurement shall send the changes to Deputy Director (Admin) for approval.

e) If the change is of critical nature then the same shall be brought in the knowledge of Executive Director and if deemed necessary the end user. The approval of the Executive Director shall be obtained.

D.4.3.Updating vendor details in the vendor master record

The Procurement Officer on the basis of approved 'Change in Vendor Information Form' shall update the information in vendor master file.

The completeness and accuracy of the updated information shall be checked by the Procurement Officer at the time of review of the 'Vendor Master File Exception Report' at the month end.

D.5. MONITORING VENDOR PERFORMANCE

Vendor Performance Appraisal Forms shall be completed by the designated Managers of the end user department. Separate forms shall be used when evaluating the performance of vendors for supply of Turnkey Projects. *Please refer to annexure F, G, for a copy of vendor appraisal forms*. The performance evaluation shall focus on issues relating to technical acceptance of goods/services, material discrepancies, overdue order status, compliance to order conditions/specifications and management cooperation etc

The designated Manager of the end user department shall forward the completed appraisal Forms to the Procurement Unit within three weeks of completion of the respective contracts. The Procurement Officer shall review the forms for completeness, and coordinate with the end user department or vendor if any clarifications are required. The final authority to approve the appraisal forms shall rest with the Executive Director

The results of Vendor Performance Appraisal shall be compiled by the Procurement Officer.

As for non-performing vendors with negative performance assessment, the designated officer shall inform the vendor through Deputy Director (Admin) about the same and arrange for a meeting to be attended by the end user and the vendor to discuss the vendor performance. HSA may not continue entering into contracts or placing orders with such vendor till the reasonable assurance is provided by the vendor regarding the improvement of their performance. Any such assurance shall be confirmed by the vendor in writing.

However after two negative appraisals the designated Procurement Officer shall refer the case to HOD-Procurement for the process of the termination of the vendor's registration. The HOD-Procurement shall have the authority to send the case to Deputy Director (Admin) for termination of vendor registration.

Results of these periodic performance evaluations shall be taken into consideration by the Committee evaluating the vendor performance at the time of the renewal of registration.

A case with details and reasons of non-compliance shall be forwarded to relevant authorities for blacklisting.

D.6. RENEWAL OF VENDOR REGISTRATION

D.6.1.Reasons for renewal of vendor registration

Vendor registration shall be renewed after every five years from the date of first registration. Such renewal shall be performed upon vendor request to HSA, subject to Vendor Performance Evaluation performed at the time of renewal. It shall be the responsibility of the HOD-Procurement.

D.6.2.Identification of vendors for renewal of registration

On a monthly basis, Procurement Officer shall generate a report identifying the vendors approaching the expiry of registration in the next three months. Reminders for renewal of registration shall be issued to these vendors as per the process mentioned below. This report shall be signed off as an evidence of review by the Deputy Director (Administration) who shall ensure that reminders are sent to the vendors on a timely basis. *Please refer to Annexure H to this chapter, for a copy of vendor registration renewal report.*

D.6.3.Reminders for renewal of registration

The Procurement Officer shall be responsible for reminding Administration section for sending reminders to the vendors for renewal of their registration, at least three months before the expiry of their registration .The Procurement Officer shall remind Administration Section for issuing a letter to the concerned vendor informing them about the expiry date of their registration and the process to be followed for renewal of their registration. Date of issuing the letter to the concerned vendor shall also be recorded in the file. Please refer to Annexure I to this chapter, for a copy of registration renewal reminder.

The Procurement Officer shall also remind to Administration Section to request the vendor to update any changes in the information related to the vendor which has not been communicated previously, and to sign the declaration for confirming vendor details and agreeing with the HSA terms and conditions. Changes in vendor Information Form shall be used for updating the vendor details. *Please refer to Annexure E to this chapter, for a copy of changes in vendor information form.* In case of any non-response, reminders shall be sent to the vendor in question.

D.6.4.Vendor performance evaluation

After receiving the change in information form, if any, and signed declaration from the vendors, the Procurement Officer shall forward the Renewal Documents to the Vendor Evaluation Committee (VEC) for Performance Evaluation.

a) Performance evaluation process

Composition and evaluation process of the Committee evaluating the vendor Performance at the time of registration and renewal shall be the same, as described earlier for the committee evaluating the vendor at the time of vendor's initial registration. Please refer to Section D.2 for details of vendor evaluation committee.

b) Evaluation criteria and timelines

Performance Evaluation of vendor shall be performed as per the criteria established in the 'Vendor Performance Form'. Vendor registration shall be renewed only if the vendor is found satisfying the HSA requirement at the expected levels. Please refer to Annexure J to this chapter, for a copy of Vendor performance form.

Vendor Evaluation Committee shall consult the end users for their feedback on the Vendor Performance and take the same into account when evaluating the performance. Where applicable, the results of periodic Vendor Performance Appraisals shall be taken into consideration. Please refer to Section D.5, Monitoring vendor performance.

Performance Evaluation of vendors shall be completed by the Committee within seven days after receiving the complete set of documents.

c) Intimation to the vendor

The Procurement Officer, through Deputy Director (Admin) shall formally inform the vendor via letter or emails about the result of their Performance Evaluation, advising the renewal of the registration within 7 days of issuance of letter, or non renewal with reasons for the same.

D.6.5.Updating vendor details in vendor master record

Vendor details in vendor Master File shall be updated by the Procurement Officer to reflect the result of performance evaluation.

Status of vendors who were already on 'Approved Vendor' status in vendor Master File shall remain the same, if they get the renewal approval from the VEC. However, their registration period with HSA shall be extended for another five years. Vendors failing the Performance Evaluation shall be terminated, as per the process mentioned below.

D.7. TERMINATION OF VENDOR REGISTRATION

D.7.1.Reasons for termination of vendor registration

The termination of the vendor registration shall be made under the following circumstances:

I. Unsatisfactory performance in providing quality materials and services to HSA.

II. Failure to meet agreed delivery time.

III. Failure to provide agreed after-sale-services, maintenance, official spare parts etc.

IV. Going out of business, or being declared bankrupt, or cancellation or suspension of trade licenses.

V. On identification of unethical or untoward conducts with HSA or some other entity.

VI. Not recommended for renewal of registration by the VEC on the basis of performance failure.

VII. Automatic termination as a result of non - response to the three reminders after expiry of the registration Period.

VIII. Any other reason that the management finds appropriate as grounds for termination of vendor registration.

D.7.2.Process for termination of registration

The Procurement Officer shall raise a 'Termination of Vendor Registration Form' within 10 days under the above stated circumstances.

All forms for termination of vendor registration shall be approved by HOD-Procurement through the Deputy Director (Admin) after getting the input from the end user department.

In case of certain criticality or benefits in favour of HSA as assessed to that effect by the Procurement Officer, the vendor registration may not be terminated. This shall be decided by Deputy Director (Admin), on a case to case basis, based on the written recommendations received from the end user departments.

After the approval of Deputy Director (Admin), the Forms shall be sent to Procurement Officer for recording in vendor Master File.

D.7.3.Updating vendor details in vendor master record

The Procurement Officer, on the basis of approved termination of Vendor Registration Form, shall update the information in vendor master file. *Please refer to Annexure K to this chapter, for a copy of Termination of Vendor Registration Form*.

D.8. REVIEW OF VENDOR MASTER FILE

D.8.1. Generation of vendor 'Master File Exception Report'

A vendor Master File Exception Report shall be generated by the Procurement Officer on a monthly basis to identify the changes made to the vendor details during the period under review. *Please refer to Annexure L to this chapter, for a copy of Vendor Master File exception report.*

D.8.2. Approval of Exception Report

The HOD-Procurement shall review the exception report to ensure that all the changes made to the vendor master file during the period have been approved by Deputy Director (Admin).

Any transaction highlighted during the review by the HOD-Procurement shall be discussed with the Procurement Officer and Deputy Director (Admin) who shall properly justify the change and if needed, provide the basis for making the amendment. The exception report shall be approved by HOD-Procurement through Deputy Director (Admin).

D.9. LIST OF MANAGEMENT REPORTS

Serial No.	Title	Frequency	Prepared by	Reviewed/ Approved by
1	Vendors 'Pending for Evaluation' Report	Quarterly	Procurement Officer	HOD-Procurement/ Deputy Director (Admin)
2	Vendor Registration Renewal Report	Quarterly	Procurement Officer	HOD-Procurement/ Deputy Director (Admin)
3	Vendor Master File Exception Report	Quarterly	Procurement Officer	HOD-Procurement/ Deputy Director (Admin)

ANNEXURE – 4.A: VENDOR REGISTRATION FORM

VENDOR REGISTRATION FORM

For HSA Procurement Unit Only	
Date Received by HSA	
Name / Designation of Receiver	
Date Evaluated	
Registration intimated on	
Rejection intimated on	

General Instructions

Vendors interested in becoming registered with HSA must pre-register with the Procurement Unit. This registration process is mandatory and will supersede all previous registration. This registration shall be valid for 5years. Thereafter, it is the vendor's responsibility to renew their registration in a timely manner, at least 3 months ahead of Expiry. All new and existing vendors are required to register by completing this Form and submitting it along with the documents mentioned in the following checklist. If any of the documents are not included with the form, the reason for the same shall be mentioned in the Remarks Section.

S. No.	Document	Incl.	Excl.	N/A	Remarks
1.	Commercial registration and incorporation certificates etc..				
2.	Financial Statements/Balance Sheet for the last three Fiscal Years.				
3.	Copies of valid Dealership/ Distributorship, if applicable.				
4.	Past experience over the last three years stating major supplies/ contracts/ services, with values and corresponding client Names.				
5.	Products and service categories check list marking the Categories you are able to provide. (Attachment-I)				
6.	All pages of this registration Form & related Documents must be signed and stamped by the authorized signatory of the vendor				

All parts of the registration Form must be completed, and all above requirements must be fully complied with.

Registration with HSA, if accepted, does not create any obligation on the part of HSA to guarantee Tender Invitation, Contractual Awards, or any POs for products or services.

Incomplete application and/or application with missing information shall not be entertained and shall be ignored/ rejected. All queries regarding registration should be directed to HSA's Procurement Unit.

All parts of the registration Form must be completed. Incomplete Forms shall not be processed. In order for any Firm to be considered for registration, they have to be engaged in active operation at least for 3 preceding years.

Part 1 Purpose - Please tick as appropriate.

☐ NEW REGISTRATION

☐ CHANGE OF NAME/ADDRESS

☐ ADD PRODUCT OR SERVICE CATEGORIES

☐ DELETE PRODUCT OR SERVICE CATEGORIES

☐ RENEWAL OF REGISTRATION

☐ OTHERS, PLEASE SPECIFY _____

Part 2 – Official Name/ Address/ Contact Details (Legally binding)

NAME OF VENDOR _____

(LEGAL NAME AS IN INCORPORATION/REGISTRATION CERTIFICATE)

ADDRESS _____

SECTOR _____ **=STREET** _____

CITY/TOWN _____ **=POSTAL CODE** _____

COUNTRY _____

TELEPHONE NO _____

TELEPHONE NO FOR URGENT CONTACT

MOBILE NO _____

FAX NO _____

E-MAIL ADDRESS _____

NATIONAL TAX NUMBER (NTN) _____

SALES TAX REGISTRATION NUMBER_____

WEBSITE _____

Part 3 – Type of Organization

☐ GOVERNMENT UNDERTAKING _____

☐ NON PROFIT ORGANIZATION _____

☐ COMPANY _____

☐ PARTNERSHIP _____

☐ SOLE PROPRIETORSHIP _____

☐ OTHER (SPECIFY) _____

Part 4 – Vendor ownership status

PLEASE SPECIFY OWNER/PARTNERS/SHAREHOLDERS NAMES & ADDRESSES WITH SHARE PERCENTAGE.

NAME	ADDRESS	SHARE %
_____	_____	_____
Mr. _____	_____	_____
Mr. _____	_____	_____
Mr. _____	_____	_____
Mr. _____	_____	_____
Mr. _____	_____	_____

Part 5– Vendor's Authorized Signatories (Key Personnel) authorized to signs Bids/Offers, Quotations, Proposals, Contracts, etc.

S. No	Name	Position	Contact Numbers (Cell and landline)	Specimen Signatures 1	Specimen Signatures 2
1					
2					

3					
4					
5					

Part 6 – Vendor's Technical Support Staff

S. No	DESIGNATION/POSITION	NO. OF STAFF
1		
2		
3		
4		

Part 7 – Details of vendor's bankers: (For payment purpose).

1. NAME OF BANK _____
   ADDRESS _____
   BANK ACCOUNT NO _____
   SWIFT CODE _____

2. NAME OF BANK _____
   ADDRESS _____
   BANK ACCOUNT NO _____
   SWIFT CODE _____

3. OTHER BANKS _____

Part 8 – Vendor's Validity of Certificates

S. No	Certificate	Certificate No	Expiry Date
1	Incorporation/registration Certificate		
2	Trade/Business License		
3	Dealership Certificate, if any		
4	Commercial Agency Certificate		
5	Any other details		

Part 9 – Relatives / Employees of the company

Please tick, if you are an ex- employee of Health Services Academy (HSA) ☐

List firm officers or Principles who are HSA employees or related to the HSA employees.

PLEASE TICK IF APPLICABLE **NONE** ☐

1. NAME _____ POSITION _____
   DEPARTMENT _____ RELATIONSHIP _____
2. NAME _____ POSITION _____
   DEPARTMENT _____ RELATIONSHIP _____

DECLARATION
(to be printed on judicial stamp paper of Rs 100 duly attested by oath commissioner)

I the undersigned Mr/Mrs/Ms. _____, authorized on behalf of Messrs _____ hereby solemnly declare and confirm that the information provided herein is true and accurate. I agree that this registration, if accepted, shall be valid for five years from the Date of signing of contract, and it does not constitute an obligation on the part of Health Services Academy (HSA) to automatically send for Queries, Request for Quotations (RFQ), Request for Proposal (RFP), or award Purchase Order (PO), Contracts, or other Contractual engagements. I also confirm that in the event of any changes of status or changes in the elements of the aforementioned information, details shall be provided as and when changes take place.

_____ _____

Signature with Seal **Date**

Name of vendor/ representative:- _____

Designation _____

CNIC #: _____

Address: _____

Witnesses:

PRODUCTS & SERVICES CATEGORIES (Attachment-I)			
Printing and other related items			
Stationary items			
Furniture and fixture			
Machinery and equipment			
Others (please specify below)			

ANNEXURE – 4.B: LARGE VENDOR EVALUATION FORM

LARGE VALUE VENDOR EVALUATION FORM
(Vendor having contracts in excess of Rs 500,000)

Name of vendor: _____

Telephone/ Cell No: _____

Date: _____

S.NO	CRITERIA	SCORE RANGE			ASSESSED SCORE
		Weak	**Strong**	**Out-Standing**	
1	**Financial Status** **Net Profit Margin % from 3 years Audited Accounts *** Allotted Points	**Upto 5%** 10	**Upto10%** 15	**>10%** 20	
2	**Past Experience** **A. Tenure in Business** Allotted Points	**Upto 5yrs** 10	**Upto 10yrs** 15	**Above 10 yrs** 20	
	B. Revenue During Last 3 Fiscal Yrs. Allotted Points	**Rs upto20M** 5	**Rs 20-40M** 10	**Rs Above 40M** 15	
3	**Technical Support** (No. of persons Who can provide technical expertise to the company) Allotted Points	**2 No** 5	**4 No.s** 10	**6 No.s** 15	
4	**Emergency contacts (cell & landline) for 24 hrs 7 days a week** Allotted Points	**1 No.** 2	**2 No.s** 4	**3 No.s** 6	
5	**ISO Certification / Quality Assurance (QA)/ Quality Policy (QP)** Allotted Points	**QP** 5	**QP+QA** 10	**QP+QA+ISO** 15	
6	**Professionalism in writing the vendor form**	**3**	**6**	**9**	
	TOTAL SCORE	40	70	100	

Cut off point to be eligible for registration is "70"
Recommendations/Remarks:……..……..……..……
……..……...……
……...……..……
……
Evaluation Committee:

Name		Designation	Date	Signature
Prepared by				
Reviewed by				

Approved by				
VENDOR CODE (If approved)				
Vendor information entered by		Vendor created in system on		

* In case of audit accounts are not available; a business Profit and Loss statement is required to be submitted on the company letter head duly signed and stamped.

ANNEXURE – 4.C: SMALL VALUE VENDOR EVALUATION FORM

SMALL VALUE VENDOR EVALUATION FORM
(Vendors having contract value below Rs 500,000)

Name of Vendor: _____

Telephone No: _____

Date: _____

S.NO	CRITERIA	SCORE RANGE			ASSESSED SCORE
		Weak	**Strong**	**Out-Standing**	
1	**Financial Status** **Net Profit Margin % from 3 years Audited Accounts *** Allotted Points	**Upto 5%** 10	**Upto10%** 20	**>10%** 30	
2	**Past Experience (Tenure in Business)** Allotted Points	**(2-5)yrs** 10	**(5-10)yrs** 15	**Above 10 yrs** 20	
3	**Size of vendor (No. of Employees)** Allotted Points	**3** 10	**5** 15	**10** 20	
4	**Technical Support** (No. of persons Who can provide technical expertise to the company) Allotted Points	**1** 5	**2** 10	**3** 15	
5	**Emergency contacts for 24 hrs 7 days a week** Allotted Points	**1 No.** 5	**2 No.s** 10	**3 No.s** 15	
	TOTAL SCORE	40	70	100	

Cut off point to be eligible for registration is "70"

Recommendations/Remarks:……..……..……..……
……..……...……
……...……..……
……

Evaluation Committee:

Name		Designation	Date	Signature
Prepared by				
Reviewed by				
Approved by				
VENDOR CODE (If approved)				
Vendor information entered by		Vendor created in system on		

* In case audited accounts are not available; a business Profit and Loss statement is required to be submitted on the company letter head.

ANNEXURE – 4.D: SUMMARY OF VENDORS 'REJECTED & PENDING FOR EVALUATION' REPORT

VENDORS 'REJECTED & PENDING FOR EVALUATION' REPORT

S. No.	Vendor Name	Application Receiving Date	Application Status	Remarks

Comments:

Name		Designation	Date	Signature
Received by				
Reviewed by				
Approved by				

ANNEXURE – 4.E: CHANGE IN VENDOR INFORMATION FORM

CHANGE IN VENDOR INFORMATION FORM

Please complete this form to identify / highlight changes occurred during the last 3 years (since the time the registration was updated with HSA) and which have not been communicated to the HSA's Procurement Unit previously. All information provided below must be accurate, complete and written in a professional manner. If more space is needed please use additional sheets.

Vendor Code:	**Vendor Name:**
Address:	
City, State, Zip Code:	

Detail of changes:

Change No.1

Previous detail : _____

Changed detail : _____

Change No.2

Previous detail : _____

Changed detail : _____

Change No.3

Previous detail : _____

Changed detail : _____

Prepared by: **Name** **Designation:**		**Signature of Preparer:**	**Signature of Approver:**

For official use only

Name		**Designation**	**Date**	**Signature**
Received by				
Reviewed by				
Approved by				

ANNEXURE – 4.F: VENDOR PERFORMANCE APPRAISAL FOR MATERIAL SUPPLY

VENDOR PERFORMANCE APPRAISAL FOR MATERIAL SUPPLY

I-	MATERIAL SUPPLY PARTICULARS :	
	Item Code / Nature of material:	----------
	Order No :	----------
	Supplier :	----------
	End User :	----------
	Contract No. :	----------
	RFQ No :	----------
	Order Value :	----------
	Order amendment value (if applicable) :	----------
	Reason for amendment :	----------
	Order amended value (Final) :	----------
	Store / Site :	----------
	Delivery period :	----------
	Delivery due date :	----------
II-	**MATERIAL RECEIPT AND CERTIFICATION :**	
	Actual delivery date : (DO) :	----------
	Technical Acceptance Certificate issue date :	----------
	Materials Discrepancy Report (if any) :	----------
	GRN date :	----------

III- OVERDUE ORDER STATUS :

Delay in delivery (if any) : ----------

Reason for delay/Supplier's justification : ----------

Impact on the company : ----------

Follow-up from the company: ----------

Supplier's Response : ----------

Solution / Conclusive decision : ----------

IV- PERFORMANCE ASSESSEMENT :

S/N	Performance Criteria	Max score %	Assessed Score %
1	Management cooperation & follow-up	20	
2	Supplier's alert to the company (Overdue cases)	20	
3	Compliance to order conditions, delivery, … etc	20	
4	Compliance to specification and material quality	20	
5	Suppliers proactive resolution	20	
TOTAL SCORE		**100**	

- **Cut off point is 70%**

V- END USER COMMENTS & RECOMMENDATION :

	PREPARED BY	REVIEWED BY	APPROVED BY
NAME			
DESIGNATION			
DATE			
SIGNATURE			

ANNEXURE – 4.G: VENDOR PERFORMANCE APPRAISAL FOR TURNKEY CONTRACTS

VENDOR PERFORMANCE APPRAISAL FOR TURNKEY CONTRACTS

I-	PROJECT DETAILS :	
	Project Title :	----------
	Contractor :	----------
	End User :	----------
	Contract No. :	----------
	Value on award :	----------
	Approved Variation Value (if applicable):	----------
	Final Contract Value :	----------
	Location :	----------
	Completion Period	----------
	Commencement date :	----------
	Contractual Completion date :	----------
	Extension (if any) :	----------
	Actual Completion date :	----------
II-	**CERTIFICATION & TAKEOVER :**	
	Site Handover date :	----------
	Planned Provisional Acceptance Testing (PAT) date :	----------
	Actual PAT date :	----------
	Planned Provisional Acceptance Certificate (PAC) date :	----------
	Actual PAC date :	----------
	Take-over date :	----------
	Planned Final Acceptance Certificate (FAC) date :	----------
	Actual FAC date :	----------

III- GENERAL STATUS :

Delay (if any) : ----------

Reason for delay : ----------

Contractor Claim (if any) : ----------

Deviations : ----------

Potential problems : ----------

Remedial Action : ----------

IV- PERFORMANCE ASSESSEMENT :

S/N	Performance Criteria	Max score %	Assessed Score %
1	Management support & Project supervision	15	
2	Project Execution team experience & competence	15	
3	Compliance to scope requirement	15	
4	Compliance to specification and work quality	15	
5	Compliance to project execution period	15	
6	Compliance to safety and the company instructions	15	
7	Reporting & response	10	
TOTAL SCORE		**100**	

- **Cut off point is 70%**

V- END USER COMMENTS & RECOMMENDATION :

	PREPARED BY	REVIEWED BY	APPROVED BY
NAME			
DESIGNATION			
DATE			
SIGNATURE			

ANNEXURE – 4.H: VENDOR REGISTRATION RENEWAL REPORT

VENDOR REGISTRATION RENEWAL REPORT

S. No.	Vendor Code	Vendor Name	Registration Expiry Date	Reminder letter 1 sent on	Reminder letter 2 sent on

Comments:

Name		Designation	Date	Signature
Received by				
Reviewed by				
Approved by				

ANNEXURE – 4.I: SPECIMEN OF VENDOR REGISTRATION RENEWAL REMINDER

SPECIMEN (To be customised as per the situation)

SUBJECT: RENEWAL OF VENDOR REGISTRATION WITH HSA

With reference to the above subject, please note that your vendor registration with HSA is due to expire on _____. After the Expiry Date, your vendor registration with this organization will not be considered as active and valid. In order to continue your registration with HSA, you are required to submit duly filled and signed Vendor Registration and Declaration Form on judicial stamp paper of Rs 100 attested by oath commissioner.

The above information must be submitted to the undersigned latest by _____ to enable us to consider your Organization for re-registration and for future enquires.

(Signature)
Deputy Director (Administration),
Health Service Academy
National Health Complex
Islamabad, Pakistan.

(Note: This reminder letter shall be sent to the vendor through registered post/ leading courier service as well as through email if the email address is available with HSA.)

ANNEXURE – 4.J: VENDOR PERFORMANCE FORM

VENDOR PERFORMANCE FORM

Date of Evaluation: _____

Vendor Code: _____

Name of Vendor: _____

Address: _____

Telephone No: _____

Value of Purchases

(Since registration): _____

No. of orders placed

(Since registration): _____

S. No	CRITERIA	ASSESSED SCORE
1	**Timeliness of deliveries** (Rating shall be assigned considering the no. of late deliveries received)	
2	**Overall quality of product** (Rating shall be assigned considering the no. of product returns made)	
3	**Competitiveness of price** (Rating shall be assigned considering the no. of times tender was accepted)	
4	**Quality of service provided** (Rating shall be assigned considering the response time to queries / RFQs)	
5	**Compliance of terms and conditions** (Rating shall be assigned considering any non compliance with the organization's policies)	
	TOTAL SCORE	

Rating from 1 – 40 is "poor"
41- 70 is "Adequate"
71 to 100 is "Very good"

Cut off point to be eligible for registration renewal is "70"

Recommendations/Remarks:……..……..……..
…...……...……..…...…
……...…….
Evaluation Committee:

Name		Designation	Date	Signature
Prepared by				
Reviewed by				
Approved by				

ANNEXURE – 4.K: TERMINATION OF VENDOR REGISTRATION FORM

TERMINATION OF VENDOR'S REGISTRATION

Please tick the appropriate reason for termination of registration

I. Un- satisfactory performance in providing quality materials / services to HSA ☐

II. Failure to meet agreed delivery time ☐

III. Failure to provide agreed after sales service ☐

IV. Identification of un ethical conduct ☐

V. Not recommended for renewal of registration by VEC ☐

VI. Termination as a result of no response to the re-registration reminder(s) ☐

VII. Due to the Vendor's failure to remain competitive for consecutive 5 Enquiries. ☐

VIII. Non-Response for 5 Consecutive Enquiries ☐

IX. Vendor went out of Business or become bankrupt ☐

X. Cancellation of vendor's Commercial license ☐

XI. Any other reasons: _____

Vendor Code:	**Vendor Name:**
Address:	
City, State, Zip Code:	
Date of registration:	**Date of Expiry:**

Vendor's Details:

Description of Product / Services:	
Volume of work with vendor in Pak. Rs: (during the last 3 years)	
Specialized vendor:	**Rating of vendor:**

Comments: _____
_____
_____
_____
___

Name		Designation	Date	Signature
Prepared by				
Reviewed by				
Approved by				

ANNEXURE – 4.L: VENDOR MASTER FILE EXCEPTION REPORT

VENDOR MASTER FILE EXCEPTION REPORT

S. No.	Date of Amendment	Nature of Amendment*	Amendment by (User ID)	Vendor Code	Vendor Name	New Details	Old Details

Comments:

Name		Designation	Date	Signature
Received by				
Reviewed by				
Approved by				

* Nature of amendment may be addition / update or deletion of vendor

Chapter 5 Identification of Requisition Requirements

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OPEN PURCHASE REQUISITION REPORT **127**

A. SCOPE OF CHAPTER

This chapter states the policies and procedures of Health Services Academy (HSA) relating to the identification of procurement requirement and generating a Purchase Requisition by the end-user.

The proper procedure to purchase or obtain any supplies, equipment or services, not otherwise delegated, is to submit a purchase requisition to the Procurement Unit. Requisitions shall be raised by the end user, specifying therein all the necessary information that shall be required by the Procurement Unit for the purchase of items.

Purchase Requisitions shall be raised by end user departments to initiate the procurement process.

This chapter covers the following areas:

a) Process for initiation and authorisation of purchase requisitions.

b) Process for communication and monitoring of purchase requisitions.

Procurement Unit shall initiate the procurement process after receiving approved Purchase Requisitions from the end user departments.

B. DEFINITIONS

For the purpose of this chapter following terms shall refer to the descriptions given below.

B.1. PURCHASE REQUISITION

Purchase Requisition (PR) shall refer to an approved internal instruction from end user to the Procurement unit to purchase goods or services, stating their quantity and description and generate a purchase order.

B.2. END USER

'End User' shall refer to any region, section or department of the HSA consuming the goods, or utilising the services procured. End users shall be responsible for planning of their procurement of goods and services and raising purchase requisitions in accordance with the established procurement procedures.

B.3. TURNKEY PROJECTS / CONTRACTS

Turnkey projects / contracts shall refer to projects and contracts which have been completely outsourced to contractors by the HSA. In turnkey projects and contracts, the contractor shall be responsible for the supply of materials, installation, testing and commissioning of equipment / project according to the specifications. At the completion of the projects or contracts the deliverables, equipment, system or site shall be handed over to the HSA by the contractor against procedures as stipulated in the contract.

C. POLICIES

This section contains policies for following aspects of requisitioning requirements

- Raising and recording PR
- Approving PR
- Communicating PR
- Monitoring PR

C.1. ELIGIBILITY OF END USER TO RAISE A PURCHASE REQUISITION

End users shall raise PRs as per their approved forecasts/needs and approved procurement plan as discussed in Chapter 3 of this Manual.

C.2. THE PREREQUISITES FOR RAISING A PURCHASE REQUISITION-

PRs shall be raised by the designated person in the end user department. It shall specify the category and cost centre (budget line item codes) against which the expenditure is to be incurred.

Please refer to chapter xx of the Financial Management Manual for details of policies and procedures for re-appropriation of budget.

C.3. APPROVAL OF PURCHASE REQUISITION

Authorization /approval of purchase requisitions shall be controlled by the established Delegation of Authority Matrix. PRs shall be approved by the respective authorized officials in the end user departments.

Purchase requisitions shall also be administered in compliance with the established Delegation of Authority Matrix for ranges of PR values.

Approving authority shall; either:

- Approve the PR
- Cancel the PR
- Cancel the PR and instruct the end user to raise a new PR
- Change the PR (i.e. alter the quantity)

PR once approved by the appropriate authority shall be retained by the Procurement Unit for generating a Purchase Order (PO) for it. Please refer to chapter 8 of Procurement Manual for details of policies and procedures of generating PO.

Any deviation from the approved procurement plan shall be required to be approved by the appropriate authority as per Delegation of Authority Matrix.

C.3.1. Cancelling PR

The relevant approving authority, on the receipt of a PR before approval, may cancel it.

The PR after approval shall be forwarded to HOD-Procurement. Please refer to C.4. After the approval of PR has been made by appropriate authority but before PO has been raised against it; the PR can be cancelled. However the HOD-Procurement shall require written instructions of approving authority regarding the purchase requisition.

C.3.2. Change in Completed PR and partially completed PR

The relevant PR approving authority, on the receipt of a PR before approval, may change the PR regarding quantity, specifications etc and approve it.

PO can be raised for a lesser quantity than as requested per PR. Written approval of the appropriate authority that originally approved such PR shall be required in this case. In such case the corresponding PR shall be kept as “Partially completed”. However such amendments shall only be restricted to ‘quantity requested’. For any change in specifications etc, a new PR shall be raised by the end user.

C.4. PROCESSING AND COMMUNICATION OF PURCHASE REQUISITIONS

After approval by relevant approving authority, PR along with the attached documents shall be forwarded to HOD-Procurement.

HOD-Procurement shall review it and instruct the Procurement Officer to initiate the procurement process for it.

C.5. MONITORING OF PURCHASE REQUISITIONS

It shall be the responsibility of the HOD-Procurement to monitor the progress of Purchase Requisitions and follow up on any pending processes relating to them.

D. PROCEDURES

PRs shall be raised by end user departments to initiate the procurement process for goods/ services, in line with the approved annual budget and plan, or for general purchasing needs.

Process for issuing PRs has been divided into the following Sub Processes:-

- Eligibility of end users for raising a purchase requisition.
- Raising and recording purchase requisitions.
- Approval of purchase requisitions.
- Communication of purchase requisitions approval or rejection.
- Monitoring of purchase requisitions.

D.1. ELIGIBILITY OF END USER TO RAISE A PURCHASE REQUISITION

End users shall raise PRs as per their approved forecasts/needs and approved procurement plan as discussed in Chapter 3 of this manual.

The following categories of expenditures have been identified:-

a) Machinery and equipment

b) Furniture and fixture

c) Printing and other related items

d) Stationary items

e) Low value items

f) Procurement/ hiring of services

Any deviation from the approved procurement plan shall require to be approved by the appropriate authority as per Delegation of Authority Matrix.

D.2. PREREQUISITES OF RAISING A PURCHASE REQUISITIONS

D.2.1. Raising Purchase Requisition

End user shall raise PR in the prescribed format. Please refer to annexure A to this chapter for a copy of Purchase requisition. The PR shall be forwarded to the concerned HOD for approval as per Delegation of Authority Matrix.

The PR shall be supported with the relevant technical specifications and other required information and documentation. The technical specifications shall be approved by the relevant Technical Departmental Committee, and by including IT Departmental member for IT requirements. The documents / information and technical specifications shall be submitted along with the PR to the Procurement Unit. The PR shall also include the following in as much detail as possible:

- Scope of Work.
- Where applicable, technical criteria covering all aspects of technical Evaluation. Please refer to Annexure B and C for a copy of format of Technical Criteria for 'Material Supply' and 'Turnkey Contracts' tenders respectively.
- Technical specification (mention if the project is a 'Specialised Project or 'New Technology' requiring pre-qualification of vendors).
- Accurate and realistic Bill of Quantity (BOQ).
- Estimated time lines for delivery or goods/services
- Budget details.
- Any specific terms and conditions relevant to that particular PR.
- Proposed or preferred vendor, if any (with reasons).
- Any other necessary documents or terms of reference.

D.2.2. Verification of budget availability at the time of raising a Purchase Requisition

At the time of creating the PR, end user shall enter the category and division for items requisitioned against which the PR shall be issued. PR shall only be created if there are funds available in the budget for that budget line item. Availability of budget shall be ascertained from Finance Department, in case such information is not available with the end user. PR shall not be raised if budget has been fully exhausted. In such case end user shall be required to obtain approval for re-appropriation of budget. Please refer to chapter xx of the Finance and Accounting Manual for details of policies and procedures for re-appropriation of budget.

D.3. PURCHASE REQUISITIONS APPROVAL

PRs for estimated expenditure for up to the approved value shall be approved by appropriate approval hierarchy from the concerned end user department as per Delegation of Authority Matrix.

Such approval shall be provided by the designated person after reviewing the details included in the PR. Any queries in the PR shall be referred back to the person who raised the PR.

D.3.1. Cancelling PR

The relevant approving authority, on the receipt of a PR may cancel it. The approving authority may in such case instruct the end user to raise another PR.

After the approval of PR has been made by relevant authority but before PO has been raised against it; the PR can be cancelled. The relevant authority that approved the PR shall instruct the HOD- Procurement in writing the particulars of the PR that is to be cancelled. The Procurement Officer shall on the instruction of the HOD-Procurement proceed to cancel the PR. The status of such PR shall be marked as “Cancelled”.

D.3.2. Change in PR and partially completed PR

The relevant PR approving authority, on the receipt of a PR, may change the PR regarding quantity, specifications etc and approve it. In such case the original PR shall reflect the changes made therein.

PO can be raised for a lesser quantity than as requested per PR. The authority that approved such PR shall instruct the HOD-Procurement in writing stating the particulars of the PR and desired reduced quantity. Once such PO is raised the status for related PR shall appear as “Partially completed”. Such PRs shall be either cancelled or a PO shall be raised for any remaining balance after written approval of authority that approved such PR. However such amendments shall only be restricted to ‘quantity requested’. For any change in specifications etc, a new PR shall be raised by the end user.

D.4. PROCESSING AND COMMUNICATION OF PURCHASE REQUISITIONS

After approval of the PR, the PR along with the attached documents shall be forwarded to the HOD-Procurement for review & initiating the procurement of requisitioned items/services. For policies and procedures related to procurement process post approval of PR please refer to chapter 6 and 7 of this manual.

All the PRs raised by the end user departments shall be compared with the annual procurement plan prepared and approved for the respective department. HOD-Procurement shall discuss the same with the end user department if the goods/services included in the PR were not included in the procurement plan and obtain the specific approvals for updation of procurement plan. Please refer to chapter 3 of this manual for the details of policies and procedures related to preparation, approval and updation of procurement plan.

For approval limits, please refer to the Delegation of Authority Matrix.

D.5. MONITORING STATUS OF PURCHASE REQUISITIONS

The progress of the Purchase Requisitions shall be monitored by the end user and Procurement Unit on a monthly basis. Procurement Officer shall generate a report of "Open PRs" on monthly basis. Please refer to annexure G for a copy of Open PR report. The report shall be reviewed by Deputy Director (Administration).

Unusual shortcomings in the progress shall be documented, reported, and rectified.

The HOD-Procurement shall:

- Follow up PRs with approval authorities for 'Approval Status' as 'Pending'
- Follow up 'Partially Completed' PRs; either cancelling them or raising a PO for the remaining quantity after written approval of the relevant authority that approved it.

E. LIST OF MANAGEMENT REPORTS

Serial No.	Title	Frequency	Prepared by	Reviewed/ Approved by
1	Open PR Report	Monthly	Procurement Officer	Deputy Director (Administration)

ANNEXURE 5.A- PURCHASE REQUISITION

PURCHASE REQUISITION FORM
Health Services Academy

Purchase on requisition: ☐ Purchase to maintain stock: ☐

Purchase Requisition No.	
Date	

PRIORITY					
Normal		Urgent		Immediate	

STATUS	

Items mentioned below are to be procured, therefore arrangement for their procurement be made for the quantities mentioned hereunder.

S. No.	Item Code	Description	Units of measurement	Quantity

PREPARED BY	
END USER	
Signature	Date

REVIEWED BY	
Head of Department	
Signature	Date

APPROVED BY	
Dy Director (Admin)	
Signature	Date

ANNEXURE 5.B- TECHNICAL CRITERIA – MATERIAL SUPPLY

Health Services Academy

TECHNICAL CRITERIA – MATERIAL SUPPLY

PR Number: _____ **PR Date:** _____

Requisitioning Department: _____

Works Title: _____

Criteria for technical evaluation of bidders:-

S. No.	**Criteria**	**Weightage of Criteria (% out of 100)***
1	Compliance to the product specifications, qualities, features and performance (end user to provide details)	
2	Offered delivery schedule	
3	Past history with similar supplies – List of major clients and contracts with corresponding values	
4	Evaluation of samples / test results	
5	Quality Manuals / Quality Assurance systems in place	
6	Provision of training, if applicable	
7	Testing and repair facilities of supplier products, if applicable	
8	Compliance to contractual/ commercial terms & conditions and local authorities' rules.	
	Total Score	100%

*Weightage of Criteria may vary for the Tenders / RFQ as per level of importance set by End User. End Users shall assign the initial Weightage of Criteria which shall be subject to review by TEC. If any changes are made by the TEC in the Weightage of Criteria, the same shall be communicated to HOD-Procurement, before the start of Technical Evaluation.

Note: This Criterion is only a specimen and should be customised as per requirement. The Weightage is for internal use and should not be released to vendors.

ANNEXURE 5.C – MATERIAL SUPPLY

Health Services Academy

TECHNICAL CRITERIA – TURNKEY CONTRACTS

PR Number: _____ **PR Date:** _____

Requisitioning Department: _____

Works Title: _____

Criteria for technical evaluation of bidders:-

S. No.	Criteria	Weightage of Criteria (% out of 100)*
1	Compliance to the project specifications / requirements (end user to provide details)	
2	Compliance to the requested delivery schedule	
3	Past history with similar projects – List of major clients and contracts with corresponding values	
4	Third party certifications / registration with major customers	
5	Quality manuals / Quality assurance systems in place	
6	Provision of training, if applicable	
7	Health, Safety and Environment requirements	
8	List of plant and machinery	
9	Competency of bidders staff (to be evaluated on the basis of their CVs and qualifications)	
10	Financial resources available for the project	
11	Testing and repair facilities of supplier products, if applicable	
12	Compliance to contractual/ commercial terms & conditions and local authorities' rules.	
	Total Score	100%

*Weightage of criteria may vary for the tenders / RFQ as per level of importance set by end user.
End Users shall assign the initial Weightage of Criteria which shall be subject to review by TEC. If any changes are made by the TEC in the Weightage of Criteria, the same shall be communicated to HOD-Procurement, before the start of Technical Evaluation.

Note: This criterion is only a specimen and should be customised as per requirement. The Weightage is for internal use and should not be released to vendors.

ANNEXURE 5.D – RFQ/RFP REQUEST FORM

Health Services Academy

RFQ/RFP REQUEST FORM

To be sent to Procurement unit by end user

a) RFP Request -- PROJECT CAPITAL BUDGET ☐ NON-PROJECT CAPITAL BUDGET ☐ HR ☐ OPEX ☐ OTHERS ☐ (Tick as appropriate)

Requisitioning Department …… Date of issue……
Works Title …….. …….
Details of Requisition

S.No	Description	Quantity
	BOQ & other details etc to be attached	

b) Confirmation of Budget Details

Total Budget (Rs.) ……

Used Budget (Rs.) ……

Available Balance Amount (Rs.) ……...…….

End user remarks / Comments (if any)

Recommended bidders (Optional)

1-		2-	
3-		4-	
5-		6-	

Authorization:

S.NO	DESIGNATION	NAME	SIGNATURE	DATE
1				
2				

Forwarded to Procurement Personnel on:……

Name	DESIGNATION	Signature	Date

ANNEXURE 5.E-RFQ/RFP REQUEST FORM

Health Services Academy

RFQ/RFP REQUEST FORM

To be sent to vendor

Attention : Subject

Messer :

RFQ Number : Date

You are hereby requested to quote the following required items on …….. Basis Before / / -

S. NO	Description	Unit	Qty	Unit price (Rs)	Total Price (Rs)	Remarks

Please include the following in your quotations

1. Delivery schedule
2. Payment terms
3. Please deliver 3 samples (with evidence of signature) from each item to the following address by hand/ through registered post or courier:

   Health Services Academy
   National Health Complex
   Islamabad, Pakistan.

Notes: Vendor quotations will not be accepted unless all requested information has been provided and the quotation is signed

Samples shall be signed by technical committee as well as the vendor.

(Signature)
Deputy Director (Administration)
Health Services Academy
Islamabad

Note: The samples shall be signed and stamped by vendor and upon receipt it shall be signed by the member of technical committee. The sample shall be sent by hand, through registered post or through courier service. Moreover the samples shall be accompanied by test report of a recognized laboratory. The testing fee shall be borne by vendor. The test reports shall be compared with the sample received. Testing requirements shall be for applicable goods/ materials which shall be decided by the technical committee approved by ED.

ANNEXURE 5.F-END USER REQUISITIOING CHECKLIST

Health Services Academy

END USER'S REQUISITIONING CHECKLIST

Requisition No. _____

Project Title _____

NB: Please tick whether document is included. If excluded give reason under remarks.

S. No.	Document	Incl.	Excl.	N/A	Remarks
1.	Scope of Work				
2.	Technical Criteria				
3.	Technical Specifications (Mention if the project is a 'Specialised Project of 'New Technology' requiring pre-qualification of vendors)				
4.	Bill of Quantity				
5.	Budget Details				
6.	Delivery Schedule				
7.	Terms & Condition regarding work status/environment				
8.	List of well reputed bidders – (Optional)				
9.	Other necessary documents (if any)				
10.	Other terms and conditions				
11.	Any terms of reference				
12.	Annexure				

c) Prepared by: _____ Dated: _____ Signature: _____

d) Verified by: _____ Dated: _____ Signature: _____

ANNEXURE 5.G-OPEN PURCHASE REQUISITION REPORT

Health Services Academy

OPEN PURCHASE REQUISITION REPORT

Branch
Department

Run date
User:

PR Category of item	Requesting Dept.	Item description/ specification	Requisition Date	PR status	Availability in Store	Approval status

Comments:

Reviewed By:

Designation: _____
Signature: _____
Date: _____

Approved by:

Designation: _____
Signature: _____
Date: _____

Chapter 6
Vendor Pre-Qualification and Tendering

LIST OF ACRONYMS

EOI	Expression Of Interest
HOD	Head Of Department
HSA	Health Services Academy
IT	Information Technology
ITB	Invitation To Bid
ITT	Invitation To Tender
LVP	Low Value Purchases
NDA	Non-Disclosure Agreement
PPRA	Public Procurement Regulatory Authority
PR	Purchase Requisition
RFP	Request For Proposal
RFQ	Request For Quotation

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A SCOPE OF CHAPTER

This chapter states the policies and procedures of Health Services Academy (HSA) relating to the pre qualification of vendors, composition of committees and invitation to tenders.

HSA shall pre-qualify vendors only in case of 'Special Projects' or 'New Technology'. For other types of procurements, the vendors already registered with HSA shall be considered and selected for tendering. Please refer to chapter 3 of the Procurement Manual for details of policies and procedures of Vendor Registration.

The pre qualification basic appraisal criteria shall include: vendor's managerial and technical capability, supply or contracting experience, access to original equipment manufactures or reputable supply sources and / or technical partners, financial capability, access to IT communication tools, compliance to other Government mandatory requirements for registration with companies.

Further this chapter also covers the process of inviting tenders from all registered vendors. This process has been broadly divided into the following areas:

a) Pre-qualifying vendors, including the evaluation criteria.

b) Tender documents- Initiation and preparation.

c) Various types of tenders that can be issued by HSA.

d) Communications and clarifications with the bidders.

e) Entering into a non-disclosure agreement with vendors.

f) Process for tender addendum and cancellation.

The process of pre-qualifying the vendors and inviting tenders (ITB-Invitation to bids) shall be followed by the "Commercial Bid Evaluation Committee's" evaluation of the tender submissions and subsequent award of "Tenders". The policies and procedures for such evaluation and award of tenders have been discussed in Chapter 7 of the Procurement Manual.

B DEFINITIONS

For the purpose of this chapter following terms shall refer to the descriptions given below:

B.1. END USER

'End User' shall refer to any section or department of HSA consuming the goods, or utilising the services procured. End users shall be responsible for planning of their procurement of goods and services and raising purchase requisitions in accordance with the established procurement procedures.

B.2. TENDER/ PURCHASE BID

It is a process by which the organization shall seek prices and terms and conditions for an award of business activity in works, supply or service contracts or Purchase Orders. The sealed offers themselves, including Organizational Information, project outline, and a price quote, are known as tenders or bids.

B.3. BIDDER

Bidder shall refer to any vendor who submits an offer in response to the request for proposal (RFP) or Request for Quotation (RFQ) of HSA.

B.4. PRE-QUALIFICATION

It is a process whereby after receiving the PR from end user departments, HOD-Procurement shall check from the vendor master file if there are vendors already registered with HSA for providing the requested materials / services specifically in relation to 'Specialized Projects' or 'New Technology'. If available registered vendors can not supply for such 'Special Projects' or 'New Technology' then new vendors shall be pre-qualified for the purpose.

B.5. CLARIFICATION PERIOD

This is the time period falling within the release date of tender documents and the last date of submission of tender documents within which the bidders can seek clarification from HSA for the exact scope of work.

C POLICIES

This section contains policies for following aspects of vendor pre qualification and tendering

- Pre-qualifying vendors
- Procurement limit
- Repeat orders
- Tender documentation
- Tender types
- Tender dates (closing and extension)
- Cancelling tenders
- Composition of tendering committees

C.1. VENDOR PRE-QUALIFICATION

HSA shall do business with vendors who are already registered with them. In case of 'Special Projects' or 'New Technology' HSA shall check if any registered vendors are available to provide for such projects or technology. If available registered vendors can not supply for such 'Special Projects' or 'New Technology' then new vendors shall be pre-qualified for the purpose. Pre-qualification of vendors shall be performed by HSA to ensure that bids are received only from those contractors and vendors who are appropriately qualified to supply the requested materials / services i.e. have the required experience, technical and financial resources. For other types of procurements, the vendors already registered with HSA shall be considered and selected for tendering.

The pre-qualification of vendors shall be performed particularly in relation to the technical specifications of materials / services requested by end user departments (by complying with the guidelines of Technical Evaluation Committee as specified in Chapter 7 of the Procurement Manual). Only commercial offers shall be invited from such vendors and their technical evaluation shall not be performed at the time of tender processing.

Please refer to Chapter 4 of the Procurement Manual for details of policies and procedures of vendor registration.

C.2. PROCUREMENT LIMITS[1]

Purchases having value upto Rs 5,000 shall be classified as petty purchased out of petty cash balances. Please refer to Financial Management Manual for details of petty cash maintenance and replenishment.

- Purchases having value above Rs 5,000 and up to Rs 25,000 shall be conducted through RFQs and minimum three (3) quotations shall be obtained. These are classified as Low Value Purchases (LVP). Please refer to chapter 9 of the Procurement Manual for details of policies and procedures of low value purchases.

- Purchase exceeding Rs 25,000 and up to Rs 100,000 shall be made against 'Request for Quotation' (RFQ) terms and conditions.

- Tenders shall be called for all purchases over Rs 100,000 and upto the limit of Rs 2,000,000 through advertisement on official website of Public Procurement Regulatory Authority (PPRA) in addition to its advertisement on official website of HSA. These procurement opportunities may also be advertised in print media, if deemed necessary by management of HSA.

- Tenders shall be called for all purchases in excess of Rs. 2,000,000 through advertisement on the official websites of HSA and PPRA as well as in other print media or newspapers having wide circulation. The advertisement in the newspapers shall principally appear in at least two national dailies, one in English and the other in Urdu.

- Purchases over Rs 100,000 shall be made against 'Request for Proposal' (RFP) terms and conditions. Purchases above Rs 100,000 shall be made upon signing a contract.

- HSA shall only engage in direct contracting if:-

  (i) the procurement concerns the acquisition of spare parts or supplementary services from original manufacturer or supplier, provided that the same are not available from alternative sources;

  (ii) only one manufacturer or supplier exists for the required procurement:

  Provided that the HSA shall specify the appropriate fora, which may authorize procurement of proprietary object after due diligence; and

  (iii) where a change of supplier would oblige the HSA to acquire material having different technical specifications or characteristics and would result in incompatibility or disproportionate technical difficulties in operation and maintenance:

[1] Rules 12 (1), (2) and 42 of the Public Procurement Regulatory Rules 2004

Provided that the contract or contracts do not exceed three years in duration;

(iv) repeat orders not exceeding fifteen per cent of the original procurement;

(v) in case of an emergency:

Provided that HSA shall specify appropriate fora vested with necessary authority to declare an emergency;

(vi) when the price of goods, services or works is fixed by the government or any other authority, agency or body duly authorized by the Government, on its behalf, and

(vii) for purchase of motor vehicle from local original manufacturers or their authorized agents at manufacturer's price.

- HSA may engage in negotiated tendering with one or more suppliers or contractors with or without prior publication of a procurement notification. This procedure shall only be used when,-

(i) the supplies involved are manufactured purely for the purpose of supporting a specific piece of research or an experiment, a study or a particular development;

(ii) for technical or artistic reasons, or for reasons connected with protection of exclusive rights or intellectual property, the supplies may be manufactured or delivered only by a particular supplier;

(iii) for reasons of extreme urgency brought about by events unforeseeable, the time limits laid down for open and limited bidding methods cannot be met. The circumstances invoked to justify extreme urgency must not be attributable to the HSA:

Provided that HSA shall record its reasons and justifications in writing for resorting to negotiated tendering and shall place the same on record.

C.3. REPEAT ORDERS

In case of recurring procurements whose cost is established as not to vary significantly in the available market; same quotations/offers may be negotiated for additional requirement/repeat orders which have been received from the vendors during the last six months. Under such situations there would be no need to initiate new RFQ/RFP. In this case the repeat order shall not exceed 15% of the original procurement[2].

Prior approval of the Executive Director shall be obtained in this regard.

[2] Rule 42 (c) iv of the Public Procurement Rules 2004

C.4. TENDER DOCUMENTATION

C.4.1. Request for preparation of tender documentation

A request for preparation of tender documentation shall come from end user.

C.4.2. Compilation

Compilation of tender document shall be done by the Procurement Officer. Procurement Officer shall prepare a checklist to ensure the completion of tender documents. This completion checklist shall be reviewed and approved by HOD-Procurement.

C.4.3. Legal/technical vetting of tender document

After completion of compilation of the tender document, the Procurement Officer shall forward the tender document to the Finance Department and concerned Technical team / IT department who shall review the same and return the document within the maximum of five working days to Procurement Officer in order to float the tender within a specified period. Tender document shall also be reviewed by the HOD-Procurement and Executive Director prior to floating the tender.

C.5. DETERMINATION OF THE TYPE OF TENDER

Once the tender document has been finalized, Executive Director and HOD-Procurement, depending upon the terms and conditions and other relevant factors, shall assess the type of tender to be issued.

Different types of tender that can be issued by HSA for procurement shall include:

a) Limited Tender: Shall be released when at least five vendors are registered with HSA for the supply of materials and services required.

b) Public Tender: Shall be released when insufficient vendors are registered with HSA for the supply of materials and services required.

c) Expansion Tender: Shall be released to the respective vendors where HSA is upgrading / expanding its ongoing projects and equipment and systems of such vendors. Other vendors may be considered if they are able to provide the required work subject to approval from the HOD-Procurement.

d) Sole source Procurement: To be released to the respective vendor when it is established that materials and services can only be procured from a single source.

C.6. TENDER FEE

The tender fee which shall be decided to be levied against the cost of bid documents and administrative expenses. This shall be estimated by the HOD-Procurement, and be reasonably limited to the actual cost.

Tender fees obtained from the bidder shall not be refundable. No tender or its details shall be provided without recovering the fees from the vendor who would like to bid or submit tender for the project/service.

Tender amount collected from the vendor shall be required to be submitted through cross cheque in the name of HSA. Tender document shall only be released on the clearance of cheque in the bank account of HSA.

C.7. TENDER RELEASE AND CLOSING DATE

The invitation to bid shall be published in the newspapers. The invitation shall specify the last date and time for issue of tender document (tender release to bidders). The last date and time for submission of tender documents (bidding period) shall also be mentioned.

Any tender submitted after the closing date shall not be considered for technical and financial evaluation unless specifically approved by Executive Director.

C.8. EXTENSION OF TENDER CLOSING DATE

Tender closing date shall be extended after consultation with end user / project owner, if such extension requests are officially received from two or more bidders. HOD-Procurement shall be the final authority to approve the tender extension period beyond 15 days.

Any tender submitted after the extended closing date shall not be considered for technical and financial evaluation unless specifically approved by Executive Director.

C.9. COMMUNICATION AND CLARIFICATION WITH BIDDERS

Clarification period shall be provided to the vendor and shall be mentioned in the tender invitation in order to enable vendor assessing specific requirements of the HSA. Such clarification period shall not exceed four days preceding the closing date mentioned in the tender document.

Any clarification after the prescribed time lines shall be responded on a case to case basis after approval from HOD-Procurement.

C.10. NON–DISCLOSURE AGREEMENT

If deemed necessary by the end user, in consultation with Procurement Unit, prior to floating the tender, a 'Non-Disclosure Agreement' (NDA) shall be entered into in certain cases relating to strict confidentiality.

C.11. CANCELLATION OF TENDER

Request for cancellation of tender, along with appropriate justifications, shall be made by the end user at any stage from floatation of tender till recommendation for award. If tender cancellation request is made before the opening of bids, it shall be approved by HOD of end user department or HOD-Procurement. However, if the request is made after the opening of bids, cancellation shall be authorised by the Executive Director.

The tender fee in case of cancellation of tender by HSA shall be refunded to the bidders.

C.12. TENDER ADDENDUM

After a tender is advertised in the newspaper; the need to change the scope or terms and conditions shall be requested by relevant end user. The request shall be endorsed by Executive Director and will require to be communicated through advertisement in the same news paper or to the vendor.

D PROCEDURES

After receiving the approved Purchase Requisitions (PRs) from end user departments, Procurement Unit shall pre-qualify the vendors, if not already registered with HSA, and initiate the tendering process. Process for pre-qualifying the vendors and inviting tenders has been divided into the following broad categories:-

- Vendor's pre-qualification.
- Request for preparation of tender documentation.
- Tender documentation.
- Tender fee.
- Tender closing date.
- Communications and clarifications with the bidder.
- Tender Bulletin.
- Determination of the type of vendor.
- Non-disclosure agreement.
- Tender addendum.
- Tender cancellation.

This section highlights the procedures to be followed for inviting tenders for all procurement having a value of greater than Rs 100,000.

Purchases having value above Rs 25,000 and up to Rs 100,000 shall be conducted through RFQs and minimum three (3) quotations shall be obtained.

Procurement shall only be made from registered vendors. However, in case of 'Specialized Projects' or 'New Technology', the procedures for pre-qualifying vendors shall be followed, if not already registered with HSA.

After receiving the PR from end user departments, Procurement Officer shall check from the vendor Master File if there are vendors already registered with HSA for providing the requested materials / services specifically in relation to 'Specialized Projects' or 'New Technology'. If no vendors are registered for the requested Materials / Services, the following Vendor pre-qualification procedures shall be adhered to:

D.1. VENDOR PRE-QUALIFICATION

Pre-qualification of vendors shall be performed by HSA to ensure that Bids are received only from those contractors and vendors who are appropriately qualified to supply the requested materials / services i.e. have the required experience, technical and financial resources.

The pre-qualification of vendors shall be performed particularly in relation to the technical specifications of materials / services requested by end user departments. Please refer to chapter 7 of the Procurement Manual for details of compliance with the guidelines of Technical Evaluation Committee. Only commercial offers shall be invited from such vendors and their Technical Evaluation shall not be performed at the time of tender processing.

End user department, in consultation with Technical Team / I.T. Department (for I.T. related projects) shall classify the projects as 'Specialized Project' or 'New Technology' at the time of Annual Planning and Budgeting.

The vendor evaluation procedures shall be as follows:

D.1.1. Evaluation of vendors

On raising PR for a 'Specialized Project' or 'New Technology' end user department shall provide the following details to designated Procurement Manager to pre-qualify the intended vendors:-

i) Technical Evaluation Criteria.

ii) Technical specifications of works.

iii) Nomination of Technical Evaluation Committee duly approved by HOD concerned.

iv) Any other Terms of Reference.

Upon receipt of the pre-qualification request, HOD-Procurement shall initiate pre-qualification advertisement locally and / or internationally, as the case may be. HOD-Procurement shall decide the response time for receipt of bids or proposals (including proposals for pre-qualification) from the date of publication of an advertisement or notice, keeping in view the individual procurement's complexity, availability and urgency. *For detailed timeline for the tender closing and response time, please refer to section D.4.*

The advertisement (as per limits defined in C.2- Procurement Limits) shall include Technical Specifications of the materials / services required, supporting documents, closing date of the pre-qualification submission together with the address, contact details etc and clarification date.

Pre-qualification submission shall be received in the Procurement Unit and opened by the designated procurement staff. Copies of all submissions shall be forwarded to Technical Evaluation Committee for review and evaluation.

The Technical Evaluation Committee shall comprise of senior members, from Technical Department / I.T. Department (for I.T. related projects).The Committee shall be chaired by HOD-Procurement. HOD-Procurement shall call a meeting after the last date of submission of the pre-qualification documents within 3 working days.

The Committee shall evaluate the pre-qualification documents and pre-qualify the vendor.

The Technical Evaluation Committee shall take into account factors such as managerial and technical capability, supply or contracting experience, access to original equipment manufactures or reputable supply sources and/or technical partners, financial capability, access to IT communication tools, compliance to other Government mandatory requirements for registration.

D.1.2. Approval of recommendation for pre qualification of vendor

Executive Director shall review the recommendations of the Committee and, if satisfied, approve the same.

During the process of evaluation, the Procurement Officer shall coordinate with the Committee to obtain any clarifications from the vendors and arrange for site visit, if necessary.

The approved list of pre-qualified vendors shall be forwarded to HOD-Procurement for further action.

D.1.3. Registration of pre qualified vendors

HOD-Procurement shall notify the vendors, who had applied for pre-qualification, of their status after the evaluation. Vendor Master file shall also be updated by Procurement Officer on the basis of pre-qualification report. Please refer to chapter 4 of the Procurement Manual for details of policy and procedures of vendor registration.

D.2. TENDER DOCUMENTATION

D.2.1. Request for preparation of tender documentation

Process for preparation of tenders shall be initiated in the following ways:-

i) On receiving approved PR from the end user departments.

ii) On receiving intimation from HOD-Procurement, based on the estimated requirement received from the respective end user HOD in the form of approved PR.

In case of (i) above, HOD-Procurement shall receive the notification of approved PR, along with the soft copy of PR supporting documents for initiating the tendering process.

Same quotations / offers may be negotiated for additional requirement / repeat orders which have been received from the vendors during the last six months. Approval of Executive Director shall first be obtained for such repeat orders. Under such situations, there would be no need to initiate new RFQ / RFP. However the validity of the quote / offer shall be confirmed with the vendor.

In case of (ii) above, HOD-Procurement shall inform the Procurement Officer of the Contract that needs to be entered into with the respective vendors. Contracts shall be entered on the basis of Procurement Plan and estimated procurement requirement prepared at the time of annual planning and budgeting. Please refer to Chapter 3 of the Procurement Manual for details of policy and procedures of procurement planning.

Unit rate / frame contracts /call–off agreements shall be finalized with the vendors for low and high value items to serve as a base for on demand order / requirements as and when needed during the validity of contract / agreement. Actual purchasing against contracts shall only be done against approved PR for actual requirement.

D.2.2. Tender documentation

Tenders shall be issued in accordance with the requirements defined for each type of tender as mentioned below:

Procurement Officer shall compile the tender documents after checking all related details such as scope of work, technical specifications, and technical evaluation criteria etc. as required at the time of receiving PR from end user department.

HOD-Procurement shall review the tender document and make sure that all requirements as per the ‘Tender Document Compilation Checklist’ have been met. Please refer to Annexure – A, for a copy of Tender Document compilation checklist.

The tender document shall include the following details[3]:

a) Invitation to tender (ITT)

b) Instructions to bidders

c) Form of bid

d) Form of contract

e) General or special conditions of contract

f) Specifications and drawings or performance criteria (where applicable)

g) List of goods or bills of quantities (where applicable)

h) Delivery time or completion schedule

i) Qualification criteria (where applicable)

j) Bid evaluation criteria

k) Format of all securities required (where applicable)

l) Details of standards (if any) that are to be used in assessing the quality of goods, works or services specified, and

m) Any other details not inconsistent with the Public Procurement Rules 2004 that the management may deem necessary

Any information, that becomes necessary for bidding or for bid evaluation, after the invitation to bid or issue of the bidding documents to the prospective bidders, shall be provided in a timely manner and on equal opportunity basis. Where notification of such change, addition, modification or deletion becomes essential, such notification shall be made in a manner similar to the original advertisement.

Standard bidding documents as and when notified by regulation by the PPRA shall be used. Provided that bidding documents already in use may be retained in their respective usage to the extent they are not inconsistent with Public Procurement Rules 2004, and till such time that the standard bidding documents are specified by regulations.

The procurement unit shall provide a set of bidding documents to any supplier or contractor, on request and subject to payment of price, if any. The price shall cover the cost of printing and providing the documents only.

Value of Bid Security and Performance Guarantee shall be mentioned in the tender document, as decided by the HOD-Procurement with the approval of Executive Director. These shall not exceed the following:

- *Bid Security[4]: not exceeding 5% of the bid price*
- *Performance Guarantee[5]: not exceeding 10% of the contract amount, to be furnished by successful bidders*

[3] Rule 23(2) of the Public Procurement Rules 2004
[4] Rule 25 of the Public Procurement Rules 2004
[5] Rule 39 of the Public Procurement Rules 2004

Procurement Officer shall simultaneously forward the tender document to the Finance/ Accounts and concerned end user Technical / IT Departments for their review. They shall review the same, highlight their comments, if any, and then return the document, within five working days from dispatch of such documents to respective departments, to the Contract Manager.

The tender shall be finalized after the comments / reservations of Finance/ Accounts and concerned end user Technical / IT Departments are resolved by the HOD-Procurement in consultation with the end user, if required. Tender document shall also be reviewed by the Executive Director/ Joint Director prior to the floating of tender.

D.3. TENDER FEE

Procurement unit may decide to levy a tender fee against the cost of tender document and administrative expenses. This amount in local currency (Rupees) shall be estimated by the Procurement Unit and mentioned in the tender invitation / advertisement along with the payment procedure. This shall apply to all types of tenders i.e. Limited Tender, Public Tender, Expansion Tender, except for Sole Source Tender.

D.4. TENDER RELEASE AND CLOSING DATE[6]

The tender closing period shall not be less than 15 days for national competitive bidding and 30 days for international competitive bidding from the date of publication of advertisement or notice. All advertisements or notices shall expressly mention the response time allowed for that particular procurement along with the information for collection of bid documents which shall be issued till a given date, allowing sufficient time to complete and submit the bid by the closing date.

D.4.1. Extension of tender closing date[7]

Where a deadline has already been prescribed for the submission of bids and due to any reason the Procurement Unit finds it necessary to extend such deadline, it shall do so only after recording its reasons in writing and in an equal opportunity manner. Advertisement of such extension in time shall be done in a manner similar to the original advertisement.

Requests for extension of tender closing date may be received from the interested bidders before the tender closing date. If such request is received in writing from two or more bidders by the Procurement Unit, the matter shall be referred to the end user / project owner. End user/ project owner shall advise their concurrence on the period of extension with justifications, or advise their rejection of such request.

Executive Director shall be the authority to approve tender extensions if it exceed the period prescribed in D.4 above. Any extension in tender closing date shall be communicated to all the bidders.

[6] Rule 13 of the Public Procurement Rules 2004
[7] Rule 27 of the Public Procurement Rules 2004

D.5. DETERMINATION OF THE TYPE OF TENDER

Once the tender document has been finalized, HOD-Procurement and Procurement Officer, depending upon the terms and conditions and other relevant factors, shall assess the type of tender to be issued. The tender document may be issued as one of the following types of tender:

- Limited Tender,
- Public Tender,
- Expansion Tender and
- Proprietary / Sole Source Tender.

Executive Director shall approve the types of tender to be issued, as recommended by the HOD-Procurement.

Circumstances under which each of these tenders shall be issued shall be as follows:

D.5.1. Limited Tender

Subject to the procurement limits defined in C.2, Limited Tender shall be issued when at least five vendors are registered in the vendor master file of HSA.

HOD-Procurement shall select at least three bidders from the Vendor Master File, based on their Vendor Performance Evaluation, if any. A letter, email or a fax shall be sent to the selected bidders highlighting briefly the general details of the scope of work, bill of quantity, delivery and any other important milestones to obtain an 'Expression of Interest' (EOI) from these proposed bidders. The EOI shall be sent by the proposed bidders within the prescribed time frame to the Procurement Unit.

Once the EOI is received from the proposed bidders, a proposed bidders List shall be prepared by HOD-Procurement. Manager Procurement shall ask the Procurement Officer to select other vendors from the vendor master file and obtain EOI from them, if any of the earlier short listed proposed bidders do not submit their EOI.

However, an invitation letter along with the approved tender document may be sent to the selected proposed bidders, instead of initiating EOI process.

In Limited Tender, there shall be no need to advertise in the local newspapers or placing the same on the HSA's web site. Offers submitted by the bidders who were not invited shall be rejected.

D.5.2. Public Tender

Subject to the procurement limits defined in C.2, a public tender shall be issued by Procurement Unit.

Once Executive Director decides that the tender shall be issued as a Public Tender, HOD-Procurement in coordination with the end user departments shall arrange an advertisement in local / international media, giving a summary of the tender document, as appropriate. *For details of advertisement medium, please refer to C.2-Procurement Limits.*

D.5.3. Expansion Tender

An Expansion Tender shall only be issued if an up-gradation / expansion of an existing technical / IT projects is required.

An Invitation To-Tender shall only be made to the vendors whose equipment and / or systems are already installed at HSA and require up-gradation / expansion.

However, other vendors may be invited only if they provide comprehensive evidence that they are capable of providing such up-gradation / expansion which shall be subject to approval by Technical or IT Department (for IT related projects) as well as end user / project owner in HSA.

HOD-Procurement shall in consultation with relevant Technical/IT decide on terms and conditions including the number of vendors to be intimated in this regard. Any tender documents shall be compiled in a similar manner as for other tenders.

The tender documents shall be sent through courier to the vendors at their registered head office addresses.

D.5.4. Proprietary / Sole Source Tender

Certain materials / services due to their special nature may only be supplied by a single vendor (sole source purchase). In such cases, respective end user shall submit in writing the materials / services to be procured to HOD-Procurement and offers for such materials shall be obtained directly from the Sole vendor.

In addition, sole source procurement shall be opted if any procurement advertisement or notice or publication of it, in any manner, relates to disclosure of information, which is proprietary in nature or falls within the definition of intellectual property which is available from a single source.[8]

HOD-Procurement in consultation with relevant end user shall decide on terms and conditions including the number of vendors to be intimated in this regard. Any tender documents shall be compiled in a similar manner as for other tenders.

The tender documents shall be sent through courier to the vendors at their registered head office addresses.

[8] Rule 14(b) of the Public Procurement Rules 2004

D.6. COMMUNICATION AND CLARIFICATIONS WITH THE BIDDER

The interested bidders may raise queries and questions during the tender period to the Procurement Unit. All written queries shall be addressed to the end users through Procurement Unit. End users / project owners shall not approach vendors directly for any kind of clarifications whatsoever.

Vendor shall be provided with the contact details in the tender document of the HOD-Procurement. Further the vendor shall be required to raise such queries/ clarification in writing either through email or a formal letter.

The clarification period shall be set in the tender invitation with a deadline beyond which no clarifications shall be entertained. Such deadline shall not be more than four working days preceding the actual closing date (and not extended closing date) of the tender submission.

Response shall be compiled from the concerned departments and response to common queries shall be forwarded to all bidders. If a specific enquiry is raised with regard to a product / issue that does not apply to other bidders, the reply shall only be sent to that specific bidder raising the enquiry. HOD-Procurement shall constantly follow up with end users / concerned departments to ensure that they expedite the response to bidders in good time.

D.6.1. Tender bulletin

In case many queries are received from the various bidders, the response shall be consolidated in a bulletin and forwarded to all bidders, this should not change the scope of work, but may necessitate extension of the closing date which shall be effected as already indicated above. This shall be done by the Procurement Officer in consultation with the end user / project owner. The bulletin shall be approved by HOD-Procurement and shall be communicated to the bidders via an advertisement in a newspaper.

D.7. NON–DISCLOSURE AGREEMENT

If deemed necessary by the end user, in consultation with Procurement Unit, prior to floating the tender, a 'Non-Disclosure Agreement' (NDA) shall be entered into in certain cases relating to strict confidentiality. An appropriate form of NDA clearly defining the validity of commitment shall be forwarded to the interested bidder(s) by the HOD-Procurement prior to issuing the tender document.

The interested bidder(s) shall sign the NDA and return the same to the Procurement Unit after which they shall be eligible to obtain the tender document.

The NDA submitted by the bidder(s) shall be counter-signed by Executive Director. However, the counter-signed NDA shall not be returned to the bidder(s).

D.8. TENDER ADDENDUM

Addendums are generally issued when scope of work is required to be changed or missing details to be added. End user / project owner shall notify the HOD-Procurement to that effect well before the tender closing date in order to avoid unnecessary submission by bidders and extend the tender closing date as required. This shall be done by the HOD-Procurement in consultation with the end user / project owner. Endorsement of Executive Director shall be required in this regard. If required, the tender closing date shall be extended by following the established procedures.

D.9. TENDER CANCELLATION

End-User may request for cancellation of the tender, along with appropriate justifications, at any stage from tender floating till recommendation for award. If tender cancellation request is made before the opening of bids, this shall be approved by HOD of end user department or HOD-Procurement and to be approved by Deputy Director (Administration). However, if this request is made after the opening of bids, the case with full justification for cancellation shall be submitted to the Executive Director for approval.

Under such circumstances, Procurement Unit shall notify all bidders accordingly in the same manner in which they were initially requested to tender.

ANNEXURE – 6.A: TENDER DOCUMENT COMPILATION CHECKLIST

HEALTH SERVICES ACADEMY
Tender Document Compilation Checklist

PR No. _____

Tender No. _____

Title: _____

Type of Tender to be issued: _____

NB: Please tick whether following document are included. If excluded give reasons under remarks.

S.No.	Document	Incl.	Excl.	N/A	Remarks
1.	Instructions to bidders				
2.	Finance/ Accounts and Technical Departments comments				
3.	Scope of Work				
4.	Technical specifications				
5.	Bill of Quantity				
6.	Price Schedule				
7.	Delivery Schedule				
8.	Technical Criteria				
9.	Standard tender / contract terms and conditions				
10.	Estimation of tender fee				
11.	Bid security, if any				
12.	Other conditions by end-user / project owner (including the requirement of NDA)				
13.	Compliance statement				
14.	Annexure (please specify)				

Prepared by: _____ **Dated:** _____ **Signature** _____

Verified by: _____ **Dated:** _____ **Signature** _____

Reviewed by: _____ **Dated:** _____ **Signature** _____

Chapter – 7
Tender Submission, Opening and Evaluation

LIST OF ACRONYMS

BOG	Board of Governors
CEC	Commercial Evaluation Committee
FOB	Freight On-Board
GRC	Grievance Redressal Committee
HOD	Head Of Department
HSA	Health Services Academy
IT	Information Technology
ITT	Invitation To Tender
LOI	Letter of Intent
MOU	Memorandum of Understanding
NC	Negotiation Committee
PO	Purchase Order
RFP	Request For Proposal
RFQ	Request For Quotation
TEC	Technical Evaluation Committee
TOC	Tender Opening Committee

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A. SCOPE OF CHAPTER

This chapter states the policies and procedures of Health Services Academy (HSA) relating to the tender processing, tender opening, tender evaluation and tender awarding.

Offers / bids received from potential suppliers shall be vetted for their suitability against pre-defined criteria. A Request for Proposal (RFP), Request for Quotation (RFQ) shall initiate a process which shall be subject to the interested and approved vendors to specific evaluation criteria, securitization, and negotiation. The most competitive vendors shall then be considered for awarding contracts / agreements.

This chapter has been broadly divided into the following sub processes:

I. Submission of Tender and opening.

II. Formation of committees involved in evaluating the tenders.

III. Contracts finalization and their authorisation.

IV. Signing a 'Memorandum of Understanding' (MOU) with the successful Vendors.

V. Handling performance bonds.

B. DEFINITIONS

For the purpose of this chapter following terms shall be refer the descriptions given below.

B.1. END USER

End user shall refer to any region, section or department of HSA utilising the goods and services procured. End users shall be responsible for planning of their procurement and raising Purchase Requisitions in accordance with the procurement procedures.

B.2. TURN KEY PROJECTS / CONTRACTS

Turnkey projects / contracts shall refer to projects and contracts which have been completely outsourced to contractors by HSA. In turnkey projects and contracts, the contractor shall be responsible for the supply of materials, installation, testing and commissioning of equipment / project. At the completion of the projects or contracts the deliverables, equipment, system or site shall be handed over to HSA by the contractor against Procedures as stipulated in the contract.

B.3. MEMORANDUM OF UNDERSTANDING

A Memorandum of Understanding (MOU) shall not be construed to be an ‘Agreement’. An MOU depicts a series of understanding that would be taken into consideration in forming a formal contract / agreement between two organizations encompassing future procurement or contracting activities. A MOU shall therefore be considered a prelude to a possible future contract or agreement.

An MOU shall express a convergence of will between the parties, indicating an intended common line of action, rather than a legal commitment. It shall be more of a formal alternative to a gentlemen's agreement, but which generally lacks the binding power of a contract.

B.4. PERFORMANCE BOND

A performance bond shall refer to a surety bond issued by a financial institution on behalf of a vendor or contractor, acceptable to HSA, to guarantee satisfactory completion of a project / deliverables or supply of goods and services.

C. POLICIES

This section contains policies for following aspects of tender opening and evaluation:

- Formation of tendering committees
- Procurement limits
- Tendering process
- Time frame of procurement cycle
- Tender award limits
- Contracts
- Performance bonds

C.1. TENDER SUBMISSION AND OPENING

Separate 'Technical' and 'Financial' bids shall be obtained from the bidders against the tender. Financial bids shall only be opened by Tender Opening Committee for bidders who are identified as technically qualified, and have been accepted by the Technical Evaluation Committee.

Decision of the Technical Evaluation Committee shall be final and no complaints from bidders regarding their Technical Evaluation shall be entertained by HSA.

C.1.1. Formation of tender committees

Different Committees shall be involved in the tendering process, as follows:

a) Tender Opening Committee
b) Technical Evaluation Committee
c) Financial Evaluation Committee
d) Negotiation Committee, and
e) Grievance Redressal Committee (GRC)[1]

The committees shall not have permanent members and shall be nominated and approved on case to case by the Executive Director.

The Executive Director shall also nominate the head of each committee. However in nominating the committee heads and members, Executive Director shall essentially consult and interact with the HOD-Procurement and relevant end-user departments.

Terms of reference for each committee shall be finalized by the HOD-Procurement and approved by the Executive Director. Further frequency of their meetings, nature of reporting and specific objectives shall be approved by the Chairperson of the respective committee from time to time based on procurement process requirement. Minutes of all tender committee meetings shall be documented, approved and filed for future records.

C.1.2. Offer submission[2]

Bids shall be received and evaluated in the following manner:

a) Single stage – one envelope procedure:

[1] Rule 48 of the Public Procurement Rules 2004
[2] Rule 36 of the Public Procurement Rules 2004

Each bid shall comprise one single envelope containing, separately, financial proposal and technical proposal (if any). All bids received shall be opened and evaluated in the manner prescribed in the bidding document.

b) Single stage – two envelope procedure:

(i) The bid shall comprise a single package containing two separate envelopes. Each envelope shall contain separately the financial proposal and the technical proposal;

(ii) the envelopes shall be marked as "FINANCIAL PROPOSAL" and "TECHNICAL PROPOSAL" in bold and legible letters to avoid confusion;

(iii) initially, only the envelope marked "TECHNICAL PROPOSAL" shall be opened;

(iv) the envelope marked as "FINANCIAL PROPOSAL" shall be retained in the custody of the procurement unit without being opened;

(v) the procurement unit shall evaluate the technical proposal, without reference to the price and reject any proposal which does not conform to the specified requirements;

(vi) during the technical evaluation no amendments in the technical proposal shall be permitted;

(vii) the financial proposals of bids shall be opened publicly at a time, date and venue announced and communicated to the bidders in advance;

(viii) after the evaluation and approval of the technical proposal the procurement unit, shall at a time within the bid validity period, publicly open the financial proposals of the technically accepted bids only. The financial proposal of bids found technically non-responsive shall be returned un-opened to the respective bidders; and

(ix) the bid found to be the lowest evaluated bid shall be accepted.

c) Two stage bidding procedure:

First stage:

(i) the bidders shall first submit, according to the required specifications, a technical proposal without price;

(ii) the technical proposal shall be evaluated in accordance with the specified evaluation criteria and may be discussed with the bidders regarding any deficiencies and unsatisfactory technical features;

(iii) after such discussions, all the bidders shall be permitted to revise their respective technical proposals to meet the requirements of the procuring agency;

(iv) the procurement unit may revise, delete, modify or add any aspect of the technical requirements or evaluation criteria, or it may add new requirements or criteria not inconsistent with these rules:

Provided that such revisions, deletions, modifications or additions are communicated to all the bidders equally at the time of invitation to submit final bids, and that sufficient time is allowed to the bidders to prepare their revised bids:

Provided further that such allowance of time shall not be less than fifteen days in the case of national competitive bidding and thirty days in the case of international competitive bidding;

(v) those bidders not willing to conform their respective bids to the procuring agency's technical requirements may be allowed to withdraw from the bidding without forfeiture of their bid security;

Second stage:

(i) the bidders, whose technical proposals or bids have not been rejected and who are willing to conform their bids to the revised technical requirements of HSA, shall be invited to submit a revised technical proposal along with the financial proposal;

(ii) the revised technical proposal and the financial proposal shall be opened at a time, date and venue announced and communicated to the bidders in advance; and

(iii) the revised technical proposal and the financial proposal shall be evaluated in the manner prescribed above. The bid found to be the lowest evaluated bid shall be accepted:

Provided that in setting the date for the submission of the revised technical proposal and financial proposal a procuring agency shall allow sufficient time to the bidders to incorporate the agreed upon changes in the technical proposal and prepare their financial proposals accordingly.

d) Two stage - two envelope bidding procedure:

First stage

(i) the bid shall comprise a single package containing two separate envelopes. Each envelope shall contain separately the financial proposal and the technical proposal;

(ii) the envelopes shall be marked as "FINANCIAL PROPOSAL" and "TECHNICAL PROPOSAL" in bold and legible letters to avoid confusion;

(iii) initially, only the envelope marked "TECHNICAL PROPOSAL" shall be opened;

(iv) the envelope marked as "FINANCIAL PROPOSAL" shall be retained in the custody of the procurement unit without being opened;

(v) the technical proposal shall be discussed with the bidders with reference to the HSA's technical requirements;

(vi) those bidders willing to meet the requirements of HSA shall be allowed to revise their technical proposals following these discussions;

(vii) bidders not willing to conform their technical proposal to the revised requirements of the HSA shall be allowed to withdraw their respective bids without forfeiture of their bid security;

Second stage

(i) after agreement between HSA and the bidders on the technical requirements, bidders who are willing to conform to the revised technical specifications and whose bids have not already been rejected shall submit a revised technical proposal and supplementary financial proposal, according to the technical requirement;

(ii) the revised technical proposal along with the original financial proposal and supplementary financial proposal shall be opened at a date, time and venue announced in advance by HSA:

Provided that in setting the date for the submission of the revised technical proposal and supplementary price proposal, HSA shall allow sufficient time to the bidders to incorporate the agreed upon changes in the technical proposal and to prepare the required supplementary financial proposal; and

(iii) the procurement unit shall evaluate the whole proposal in accordance with the evaluation criteria and the bid found to be the lowest evaluated bid shall be accepted.

The above mentioned sealed envelopes shall bear Health Services Academy (RFP)/ (RFQ) reference numbers.

The Procurement Unit shall provide instructions to the bidders in the Invitation to Tender (ITT) section of the bid to ensure that sealed offers are deposited in 'Quotation Boxes' placed in HSA's Head Office. The Quotation boxes shall require dual keys to be opened up. One key shall be kept by the HOD-Procurement and one by the HOD of the relevant end-user department or Finance Department. Both the Technical and Financial offers shall be extracted from the box. The Financial offer shall be kept by HOD-Procurement in a safe cabinet whilst the Technical Offer shall be presented for TOC proceedings.

Identification of bidder on the sealed envelopes shall be made by assigning a unique number (e.g. 1,2,3,4 etc.) as an additional code to the tender/ RFP/RFQ reference which shall be maintained in strict confidence by the Tendering Committee.

In case of 'Specialised Project' or 'New Technology' where the vendor has been pre-qualified with respect to goods and services requested by the end user, only Financial Offers shall be invited from such vendors and their technical evaluation shall not be performed at the time of tender processing. *Please refer to Chapter 6 of the Procurement Manual for details of process of vendor pre-qualification*.

C.2. PURCHASING AND CONTRACTS LIMITS

C.2.1. Contracts and Purchase Orders (POs)

Purchases having value up to Rs 25,000 shall be classified as Low Value Purchases (LVP) and shall be made on the basis of minimum of 3 quotations. Please refer to chapter 9 of the Procurement Manual for details of policies and procedures for low value purchases.

Tender shall be called for all purchases over Rs 100,000.

Purchase Order shall be issued for all procurement having value above Rs 5,000 and up to Rs 100,000 against 'Request for Quotation' (RFQ)-terms and conditions apply.

All purchases above Rs 100,000 shall be made upon signing a contract with vendors. These contracts shall be made against 'Request for Proposal' (RFP)-terms and conditions.

C.3. TENDER OPENING COMMITTEE

TOC Meetings shall be conducted in strict confidence and the bidders shall not be requested to attend any TOC meetings.

C.3.1. Nomination of Tender Opening Committee

Nomination from End User Department shall be approved on a case to case basis, as per the authorities mentioned in Section C.1 above. Chairperson shall nominate a person to perform the secretarial functions.

Constitution of the committee shall be as follows:-

Administration	Chairperson
Procurement	Member
End user/ IT department representative	Member
Finance	Member

Quorum of meeting shall be atleast 3 members of the above.

C.3.2. Functions of Tender Opening Committee (TOC)

The function of the TOC shall be opening of the bid envelopes, 'Technical' if applicable and 'Financial' may be on two separate occasions / dates in presence of the vendor authorized representative. The TOC shall ensure that either any bid bonds have been received or alternate arrangements have been taken in case such bid bond is in due course to be provided.

C.4. TECHNICAL EVALUATION COMMITTEE

C.4.1. Nomination of TEC

Members of TEC shall be nominated and approved, on a case by case basis, as per the authorities mentioned in Section C.1 above. Secretarial functions shall be entrusted to any member at the discretion of the Chairperson

Constitution of the TEC members shall be as follows:

Administration	Chairperson
Procurement	Member
End user/ IT department representative	Member
Finance	Member

Quorum of meeting shall be atleast 3 members of the above.

The TEC may include other members if it is deemed necessary that their inclusion shall enhance the quality and completeness of technical evaluation

C.4.2. Functions of TEC

The TEC shall evaluate the technical aspects of tender, taking into account the technical specification, capabilities, relevant experience, technical support etc.

C.4.3. Clarification

During the technical evaluation (depending on whether the process if single or two stage), offers shall be considered incomplete in case of any missing information and other ambiguities. The TEC shall ask the bidder through the Procurement Unit to provide any required details or clarify ambiguous issues.

C.4.4. Technical evaluation, conclusion, and report

Upon completion of all clarifications, the TEC shall highlight the advantages and disadvantages of offered technical aspects giving short concise comments on the same in the form of a report. The short listed bidders shall be ranked, in the report, in terms of technical excellence for subsequent financial evaluation of their offers. The report shall be prepared by the secretary of the TEC.

C.5. FINANCIAL EVALUATION COMMITTEE

C.5.1. Nomination of FEC

Chairperson of the Committee shall be nominated as per authority vested mentioned above in Section C.1. Chairperson of the FEC shall nominate a member to do the secretarial functions.

FEC member's constitution shall be as follows:

Finance	Chairperson
Administration	Member
Procurement	Member
End user/ IT department representative	Member

Quorum of meeting shall be atleast 3 members of the above.

C.5.2. Functions of FEC

For bidders who have been declared successful after the technical evaluation (depending on whether the process if single or two stage), the FEC shall evaluate the tender on financial grounds taking into account price comparison, price adjustments, import factors, price escalations and other pertinent facts.

C.5.3. Clarification

In case any further clarification is required on the Financial Offer, the same shall be conducted as indicated above (under technical evaluation) having the Procurement Unit as the focal point.

C.5.4. Financial Evaluation Conclusion and Report

The final evaluation shall summarize the technical, commercial and financial assessments, clearly indicating the order of preference, highlighting rejected bidders with reasons. Two copies of the final evaluation report shall be prepared and submitted to:-

- Executive Director
- HOD-Procurement.

Approval of Director Administration shall be obtained for any changes subsequent to submission of final evaluation report. The functions of FEC shall not be considered conclusive until the Contract is signed or Purchase Order is issued.

C.6. NEGOTIATION COMMITTEE

C.6.1. Nomination of NC

Chairperson of TEC and CEC shall continue to be the member of NC. The committee approving authority (i.e., Executive Director) shall chair the NC. The NC shall comprise of:

Executive Director	Chairperson
Chairperson TEC	Member
Chairperson FEC	Member

Secretarial functions shall be entrusted to any member at the discretion of the Chairperson. Quorum of the meeting shall be all the three members present for the meeting.

C.6.2. Functions of NC

The Secretary of the Committee shall within three days of receipt of the Commercial Evaluation report arrange individual negotiation meetings with the 1st three lowest bidders.

Individual price negotiation sessions shall be held with the 1st three lowest bidders to negotiate discounts and improved contract terms.

A comparison shall be made with the discounted prices at the end of negotiations, and contract shall be awarded to the optimum bidder.

C.6.3. Conclusion and report

On completion of the negotiation, a final report shall be prepared with recommendations of award to the selected bidder(s). Decision to award the contracts / POs shall be finalized by the NC within three days of negotiations and shall not be left open-ended.

C.6.4. Final approval

Final Report of the NC shall be forwarded for final approval and awarding of contracts / POs as per the authority limits defined in Delegation of Authority Matrix.

C.7. GRIEVANCE REDRESSAL COMMITTEE (GRC)[3]

A GRC shall be constituted by the Executive Director to address the complaints of bidders that may occur prior to the entry into force of the procurement contract.

C.7.1. Nomination of Grievance Redressal Committee

Nomination from End User Department shall be approved on a case to case basis, as per the authorities mentioned in Section C.1 above. Chairperson shall nominate a person to perform the secretarial functions.

Constitution of the committee shall be as follows:-

Executive Director	Chairperson
Administration	Member
Finance	Member
Procurement	Member
End user department representative	Member

Quorum of meeting shall be any 3 members present for the meeting.

C.7.2. Functions of Grievance Redressal Committee

If any bidder should feel that they have not received fair and impartial treatment after submitting their bid, they may file a written complaint no later than 15 days after the announcement of the bid evaluation report.

The GRC shall review and investigate the grievance and make a decision within 15 days of receipt of the complaint. Lodging a complaint by a bidder does not automatically warrant suspension of the bidding process.

Any bidder not satisfied with the decision of the committee of HSA may lodge an appeal in the relevant court of jurisdiction.

[3] Rule 48 of the Public Procurement Rules 2004

C.8. ARBITRATION MECHANISM[4]

After coming into force of the procurement contracts, disputes between the parties to the contract shall be settled by arbitration.

A detailed arbitration mechanism shall be developed in the Administration Rules/ Regulations of HSA.

HSA shall provide for a method of arbitration in the procurement contract, not inconsistent with the laws of Pakistan. An arbitration clause shall be included in all agreements/ contracts of HSA. Executive Director of HSA shall be the final authority if any dispute arises in between HSA and vendors. The decision of Executive Director HSA shall be binding on both parties.

[4] Rule 49 of the Public Procurement Rules 2004

C.9. TENDER AWARDING LIMITS

Tenders shall be awarded as per the authority limits defined in Section D.2 below.

Any exception to the approved limits shall be approved by BOG.

C.10. EMERGENCY PROCUREMENT

Emergency procurement shall be allowed up to the value of Rs 100,000 and shall be effected only in case of criticality when urgent purchasing of materials or services becomes extremely essential for HSA. Executive Directors shall give authorization for such procurements. Please refer to D.7 of this chapter for details of Emergency Procurement process.

C.11. MONITORING OF TENDERING PROCESS

The HOD-Procurement shall be responsible for following up on tender processing identifying any delays and ensuring that tender processing and final evaluation is made on a timely basis.

C.12. CONTRACT DRAFTING

Contracts with the selected vendor shall be initially compiled and prepared by Procurement Officer and finalized by the HOD-Procurement, in coordination with the Finance Department or relevant end-user department using the standard terms and conditions of HSA.

Copies of the each draft contract shall be forwarded by HOD-Procurement to Administration, Technical / IT, End User, and Finance Department for review, comments, and clearance. They shall review to ensure that all necessary legal implications have been thoroughly taken care of.

Contracts shall be signed by the HSA representatives as per the authority limits defined in Section D.7 below.

The Finance Department shall ensure that all financial terms, conditions and other associated issues and matters are in order.

The End-User department shall review the draft contracts to ensure that their requirement for products, services, specifications, delivery schedule, etc have been adequately covered.

The Technical / IT Department shall ensure that all technical terms & conditions, specifications, and other technical aspects have been accurately incorporated in the contract.

After obtaining such clearance as stated above the draft contract shall be prepared in final, to be ready for signing.

C.13. PERFORMANCE BOND[5]

Where needed and clearly expressed in the bidding documents, HSA shall require the successful bidder to furnish a performance guarantee which shall not exceed 10% of the contract amount.

Performance bond shall be submitted in the specified time period by bidder in the form of an Irrevocable and unconditional bank guarantee, from a financial institution acceptable to HSA as per the guidelines provided in the bidding documents.

[5] Rule 39 of the Public Procurement Rules 2004

D. PROCEDURES

The Procurement Unit shall process the tenders submitted by the interested bidders, in response to the tender invitation of HSA, in accordance with the following guidelines. Process for tender opening, evaluation and awarding of tenders has been broadly divided into the following areas:-

- Tender submission and opening.
- Tender Opening Committee.
- Technical Evaluation Committee.
- Financial Evaluation Committee.
- Negotiation Committee.
- Grievance Redressal Committee
- Contract Drafting.
- Contract signing, issuance and distribution.
- Contract amendments and cancellations.
- Performance bond.

D.1. TENDER SUBMISSION AND OPENING

D.1.1. Committee Formation

Following types of Committees shall be involved in the process of tender opening, evaluation and negotiation. These shall be as follows:-

i) Tender Opening Committee (TOC),

ii) Technical Evaluation Committee (TEC),

iii) Financial Evaluation Committee (FEC),

iv) Negotiation Committee (NC),

v) Grievances Redressal Committee (GRC)[6]

Please refer to annexure A to this chapter for a copy of 'Composition of Tendering Committees'

Executive Director shall nominate the committee members in accordance with the defined composition (body), in consultation and interaction with HOD-Procurement and other relevant end-user departments. Executive Director shall also nominate the heads of various tendering committees. Executive Director shall approve the various tendering committees.

The concerned committee's Chairperson / head in conjunction with the HOD-Procurement shall coordinate all meetings and related activities, including the appointment of a Committee Secretary. Committee Secretary shall assist in handling backup duties, preparing minutes of meetings, reports, and all other essentials to ensure that proceedings are properly documented.

D.1.2. Offer Submission

A) Sealed offers[7]

Single stage one envelope bidding procedure shall ordinarily be the main open competitive bidding procedure used for most of the procurement. Other appropriate procedures of open competitive bidding shall be selected in the following circumstances, namely:-

(a) single stage two envelope bidding procedure shall be used where the bids are to be evaluated on technical and financial grounds and price is taken into account after technical evaluation;

(b) two stage bidding procedure shall be adopted in large and complex contracts

[6] Rule 48 of the Public Procurement Rules 2004
[7] Rule 37 of the Public Procurement Rules 2004

where technically unequal proposals are likely to be encountered or where the Procurement Unit is aware of its options in the market but, for a given set of performance requirements, there are two or more equally acceptable technical solutions available to HSA; and

(c) two stage two envelope bidding method shall be used for procurement where alternative technical proposals are possible, such as certain type of machinery or equipment or manufacturing plant

B) Delivery of Offers

The Procurement Unit shall provide instructions to the bidders in the Invitation to Tender (ITT) section of the bid to ensure that sealed offers are deposited in 'Quotation Box' placed in HSA's Head Office.

C) Less than "three" offers situation

In case less than three quotations are received:

- In case 2 offers are received approval of the Executive Director shall be obtained to proceed with opening of two bids on the justification provided by the HOD of end user department.
- If only one offer is received the tender shall be refloated as Public Tender.
- If for second time, still one offer is received the offer shall be opened with approval of Executive Director on justification from HOD of the end user department.

D.2. PURCHASING AND CONTRACT LIMITS

A) Purchasing Order issuance range

Purchase Order shall be issued and no contract shall be required for procurement of up to the value of Rs 100,000 against 'Request for Quotation' (RFQ) Terms and Conditions. Please refer to Chapter 8 of the Procurement Manual for details of policies and procedures of issuing purchase orders. Purchase Orders shall be raised by the Procurement Officer.

B) Contract range

Contracts (Supply and Turnkey) shall be made with the selected vendor for all the procurement of value exceeding Rs 100,000. These contracts shall be made against 'Request for Proposal.

C) Conversion of RFQ to RFP / RFP to RFQ terms and conditions

In case at the time of opening RFQ related Offers, if it is established that offers are exceeding Rs 100,000, then bidders shall be requested to revise their offers based on the HSA's 'Supply' or 'Turnkey' Contract terms and conditions in order to finalize a contract. *Please refer to annexure H for a copy of format of memo converting RFQ to RFP terms and conditions.*

If at the time of opening RFP related Offers, it is established that offers are less than Rs 100,000, and then the case should be forwarded to the Procurement Unit for issuance of a PO instead of a contract. PO Terms and Conditions shall apply in this case. *Please refer to annexure I for a copy of Memo converting RFP to RFQ Terms and Conditions*

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D.3. TENDER OPENING COMMITTEE (TOC)

TOC Meetings shall be conducted in strict confidence without the presence of bidders.

D.3.1. Nomination of Tender Opening Committee

Nomination from end user Department shall be approved on a case to case basis, as per the authorities mentioned in Section C.1 above. The Chairperson shall nominate a member to perform the secretarial functions

Constitution of the committee shall be as follows:-

Administration	Chairperson
Procurement	Member
End user/ IT department representative	Member
Finance	Member

D.3.2. Functions of Tender Opening Committee

The function of the TOC shall be opening of the bid envelopes, Technical if applicable, and Commercial may be on two separate occasions / dates and shall include the following responsibilities:-

i) In case where bid bond is a pre-requisite, ensure that bid bonds have been received, and if not, the tender shall be rejected, unless relaxation is granted with the approval of Executive Director in writing.

ii) Alternatively, the bidders shall submit a letter from their bank confirming that the bid bond is under preparation and shall be submitted within one week time from the date of submission of tender, in which case the bid shall be accepted subject to provision of the bid bond at an agreeable later date.

iii) The bid bond shall be requested to be included in the Financial Bid (priced offer), with only a confirmation from the bidder. It shall be stated in the Technical Bid (un-priced offer) that the bid bond has been submitted and included with the financial bid.

iv) Secretary of the TOC shall prepare a Tender Opening Report with main details of the offers and the bidders with any remarks pertaining to the Tender conditions. Please refer to Annexure B & C for a copy of ‘Technical Offer Opening Report’ and ‘Commercial Offer Opening Report’.

v) Tenders shall be submitted on, or prior to the closing date / time. Any tenders received after the closing date / time shall be rejected and returned to the bidder un-opened.

A) Technical tender submissions

i) The technical offers shall be opened and an Opening Report providing details of bidders from whom submissions were received, shall be prepared by the secretary of the committee, and signed by the TOC Members. All pages of the original technical Offer shall be duly signed by all members of TOC. Thereafter, technical offers shall be forwarded for technical evaluation to the Chairperson of the TEC.

B) Financial tender submissions

i) The financial offers shall remain in the safe custody of the Procurement Unit and kept in specially allotted cabinets for this purpose with keys under the direct control of the Procurement Unit until completion of the technical evaluation.

ii) Financial offers shall only be opened for those bidders who have been classified as technically qualified by the TEC. Sealed Commercial Offers of bidders, who have failed the technical evaluation, shall be forwarded to the HOD-Procurement. HOD-Procurement shall contact the bidders and ask them to collect their sealed commercial offers from HSA. A letter shall be provided to the rejected Bidders stating the reasons for rejection of their Technical bid.

iii) Upon completion of the technical evaluation, the TOC shall open the Financial Offers of short listed Bidders who have passed the technical evaluation and forward the same to the Financial Evaluation Committee- FEC for evaluation. All pages of the original bids containing prices and commercial terms shall be duly signed by all members of TOC.

D.4. TECHNICAL EVALUATION COMMITTEE (TEC)

D.4.1.Nomination of TEC

Members of TEC shall be nominated and approved, on a case by case basis, as per the authorities mentioned in Section C.1 above. Chairperson shall nominate a member to perform the secretarial functions.

Constitution of the TEC members shall be as follows:

Administration	Chairperson
Procurement	Member
End user/ IT department representative	Member
Finance	Member

The TEC may include other members if it is deemed necessary that their inclusion shall enhance the quality and completeness of technical evaluation

D.4.2. Functions of TEC

A) Technical Evaluation

The TEC shall evaluate the technical aspects of tender, taking into account the following criteria:

i) Technical specifications of the offer as compared to HSA's technical specifications requirements from the product or services.

ii) Technical capabilities.

iii) Relevant experience and market reputation of the product / materials etc.

iv) Previous experience with HSA, if applicable.

v) Technical support.

vi) Results of the technical tests if applicable. The TEC shall request further tests to ascertain performance of the equipment.

vii) Quality of technical training required, training sessions, Training duration and facilities.

viii) Delivery schedules / completion period.

D.4.3. Clarification

During the technical evaluation, offers shall be considered incomplete in case of any missing information and other ambiguities. The TEC shall ask the bidder through the Procurement Unit to provide any required details or clarify ambiguous issues.

In case of projects involving new technologies, technical clarifications can be requested more than once and in other forms of communications as the project may demand, but shall be coordinated and conducted through the Procurement Unit.

TEC shall not approach any bidder directly for meetings, presentations or any kind of clarifications during the evaluation period.

In case presentations are required from the bidders, the same shall be arranged by formal notification through Procurement Unit. In this case all the bidders shall be given a chance to present their respective proposals to the TEC.

D.4.4. Technical evaluation, conclusion, and report

Upon completion of all clarifications, the TEC shall highlight the advantages and disadvantages of offered technical aspects giving short concise comments on the same in the form of a report. The short listed bidders shall be ranked, in the report, in terms of technical excellence for subsequent commercial evaluation of their offers. The report shall be prepared by the secretary of the TEC.

At least three bidders shall be short listed. If two bidders are short listed, then approval of HOD-Procurement shall be obtained. If one bidder is short listed in that case approval from the Executive Director shall be obtained. End user HOD may also be consulted if required.

The secretary of TEC shall prepare a ‘Technical Evaluation Report’ and forward the same to HOD-Procurement requesting opening of Commercial Bids for bidders who have been technically approved. The report shall highlight the recommendation and comments along with the evaluation statement reflecting the final ranking and conclusion. Structure of the report shall be flexible but should include all elements of evaluation reflected by the technical criteria.

Decision of the TEC shall be final, and no complaints from the bidders regarding their technical evaluation shall be entertained by the HSA.

The Commercial Bids opening date shall be fixed by the Procurement Unit after clearance of technical evaluation; thereafter the TOC shall proceed with opening of Commercial Offers.

D.5. FINANCIAL EVALUATION COMMITTEE (FEC)

D.5.1. Nomination of FEC

Chairperson of the Committee shall be nominated as per authority vested mentioned above in Section C.1. Chairperson of the FEC shall nominate a member to do the secretarial functions

FEC member's constitution shall be as follows:

Finance	Chairperson
Administration	Member
Procurement	Member
End user/ IT department representative	Member

D.5.2. Functions of FEC

A) Financial evaluation

i) For bidders who have been declared successful after the technical evaluation, the FEC shall check and verify their compliance with all of the commercial terms of tender document. Any non-compliance shall be highlighted and resolved by respective bidder.

ii) Price comparison shall be prepared from the offer document based on the established quantity required, by identifying the cost comparison as quoted by different Bidders in a Matrix form. Attached specimen formats shall be followed when compiling prices. Please refer to annexure D, E & F for copy of format of Tender Cost Comparison Schedule.

In the case of Turnkey Projects, a comprehensive evaluation shall be carried out to include all elements of costs required for the project such as materials, tools, installation cost, survey charges, system design / interface, supervision, training, man days / hours etc.

iii) Price adjustments shall be taken into account when offers are not fully compliant / or below specifications in order to arrive at a comparative price. Such price adjustment shall be clearly explained by additional notes. Price adjustment shall not be considered if offers are technically of higher specifications / include additional items or features not requested in the tender.

Also spare parts as well as test equipment shall not be considered for price adjustment.

iv) Local bidders shall quote their offers in Rupees basis whereas International bidders shall quote their offers in foreign currencies on Freight On-Board (FOB) basis or otherwise as requested in the tender Document. FEC shall convert U.S. Dollar at the prevailing exchange rate. Quotes in other foreign currencies shall be converted at three first class bank's average exchange rates prevailing on the commercial bid opening date for accurate evaluation. For import procurements, the estimate for freight and insurance shall be included in the overall cost. Further, local taxes and other levies by local authorities shall also be included in the evaluation to arrive at the overall cost.

v) The comparison shall show the cost of individual items and total cost of the project for HSA.

vi) Optional items shall not to be evaluated unless they are needed to be procured for the intended project, in which case they shall be evaluated technically and commercially as part of the whole evaluation.

vii) Price escalation of any formula shall be considered and compared by the member from the Finance Department, for the relevant date on which such formula / rates are effective.

viii) Quoted spare parts shall be compared and evaluated and the price escalation clause for future supply of spare parts shall be agreed upon to cover the life span of the equipment.

ix) In case of increase or decrease of the equipment quantity, the installation cost factor shall be clarified and obtained from the bidders.

x) Prices offered, against tenders called in the past for similar materials / services, by invited bidders shall be compared with current offers taking into account the currency fluctuations, exchange rates, and market conditions.

xi) A reconciliation statement shall be made between Tender opening prices and evaluated prices /equalization after clarification shall be made, where applicable.

xii) Once accuracy is checked and evaluation is verified by the Committee, financial ranking of each bidder shall be established and agreed upon by all the members.

xiii) Based on the lowest price offers for the various Items, FEC shall consider recommendation for award of 'Contract/ 'Purchase Order'(s) to one or more of the participating bidders on the basis of their offered lowest prices of such different Items, as per the requirement, taking into account the feasibility of such award in terms of the overall cost and urgency impact.

D.5.3. Clarification

In case any further clarification is required on the Financial Offer, the same shall be conducted as indicated above (under Technical Evaluation) having the Procurement Unit as the focal point.

D.5.4. Financial evaluation conclusion and report

The final evaluation shall summarize the technical, financial assessments, clearly indicating the order of preference, highlighting rejected bidders with reasons.

The final costing of the project / supply shall be shown in the evaluation to indicate the total cost that shall be incurred. A report shall be prepared by the secretary of the FEC summarizing the above mentioned details Please refer to Annexure G for a copy of the structure of FEC report.

Two copies of the Final Evaluation Report shall be prepared and submitted to Executive Director.

Approval of Executive Director shall be obtained for any changes subsequent to submission of Final Evaluation Report. The functions of FEC shall not be considered conclusive until the Contract is signed or Purchase Order is issued.

D.6. NEGOTIATION COMMITTEE (NC)

D.6.1. Nomination of NC

Chairperson of TEC and FEC shall continue to be the member of NC. The committee approving authority (i.e., Executive Director) shall chair the NC. The NC shall comprise of:

Executive Director	Chairperson
Chairperson TEC	Member
Chairperson FEC	Member

Secretarial functions shall be entrusted to any member at the discretion of the Chairperson.

D.6.2. Functions of NC

The Secretary of the Committee shall within three days of receipt of the Financial Evaluation Report arrange individual negotiation meetings with the 1st three lowest bidders during which negotiation shall address the following agendas:

i) Price discount.

ii) Payment terms and conditions.

iii) Product enhancement.

iv) Validity of offers.

v) Improved delivery schedule.

vi) Any other related issues.

Individual price negotiation sessions shall be held with the 1st three lowest bidders to negotiate discounts and Improve contract terms. Any negotiated discounts / improved terms shall be confirmed through proper communication from the authorized representative of the bidder in the form of proposal or letter on their letterhead. This can also be considered during the negotiation meeting, by requesting the bidder to state the negotiated terms on the offer in writing and sign there upon.

A comparison shall be made with the discounted prices at the end of negotiations, and contract shall be awarded to the optimum bidder. In case of renegotiation any change in price and terms and conditions shall be confirmed in writing by the bidder to the NC.

D.6.3. Conclusion and report

On completion of the negotiation, a final report shall be prepared with recommendations of award to the selected bidder(s). Decision to award the contracts / POs shall be finalized by the NC within two days of negotiations and shall not be left open-ended.

D.6.4. Final approval

Final Report of the NC shall be forwarded for final approval and awarding of contracts / POs as per the authority limits defined in Delegation of Authority Matrix.

D.6.5. Confidentiality and records

All members of the committees shall ensure that proceedings of the meetings are kept in strict confidence throughout the procedures. Any tasks delegated to subordinate staff shall be the responsibility of the committee members.

Committee Secretary shall be responsible for ensuring that all minutes of meetings as well as records of events are maintained in proper filing system and signed by all members who participate in such meetings.

D.7. EMERGENCY PROCUREMENTS

In the event of unforeseen situation where emergency procurement becomes crucial / essential for HSA's operations, the specific case deliberation giving full justification for such an emergency shall be raised by the concerned HOD to Executive Director for approval.

In such circumstances, finalization of the emergency transaction, in terms of technical evaluation, commercial evaluation and urgent negotiation shall be conducted jointly by HOD-Procurement and HOD of end user department on priority basis. Technical and Commercial offers received from bidders may be opened at the same time.

The recommendation for award, based on the joint decision made by the HOD-Procurement, HOD of end user department shall be presented to Executive Director for Approval.

Emergency procurement shall be capped at a maximum limit of Rs 100,000 beyond which normal procurement procedures shall be adopted.

As all the procurement procedures shall not be used in case of an emergency purchase, this should not be made a practice and should only be pursued in real emergency situation.

D.8. MONITORING OF TENDERING PROCESS

D.8.1. Tender status report

On a Monthly basis, the Procurement Officer shall prepare a 'Tender Status Report' identifying the different stages of the tenders which have not been finalized during the period. HOD-Procurement shall cite the reasons for any unusual delays on the report and shall sign off as an evidence of his review. Please refer to annexure J for a copy of the format of Tender Status Report.

D.8.2. Procurement Cycle Report

On a Monthly basis, Procurement Officer shall prepare a 'Procurement Cycle Report' identifying the time taken to complete the procurement cycle for tenders which have been finalized during the period. This report shall be signed off as an evidence of review by the HOD-Procurement. Reasons shall be mentioned for any delays in the procurement cycle. Please refer to annexure K for a copy of the format of Procurement Cycle Report.

D.9. CONTRACT DRAFTING

Procurement Unit shall inform the selected bidder of their appointment and also start preparing the draft contract. The contract shall be drafted by the Procurement Officer using the standard contract prepared for supply of goods, turnkey projects or standard purchase order. Any specific terms and conditions mentioned in the tender document or in the bid document submitted by the vendor shall also be considered and reflected in the contract.

Copies of the draft contract shall be forwarded to Finance, Technical / IT and the end user departments for review, comments, and clearance.

Contract drafting shall be completed by Procurement Officer under the supervision of HOD-Procurement within five days of the final approval for award.

D.10. PERFORMANCE BONDS

Where needed and clearly expressed in the bidding documents, HSA shall require the successful bidder to furnish a performance guarantee which shall not exceed 10% of the contract amount.

D.10.1. Performance bond handling

A performance bond shall be submitted by the bidder within a maximum of 10 days from the date of signing of contract / placement of order / issuing Letter of Intent (LOI), as the case may be, to Procurement Unit with copy to the Finance Department.

Performance bond shall be in the form of an irrevocable and unconditional bank guarantee, from a financial institution acceptable to HSA.

Performance Bond shall be submitted to and kept in custody of the Procurement Unit, who shall maintain an appropriate record of all the performance bonds deposited with them with a reference to contract signed by HSA. Performance bonds shall be stored in a fire proof safe for safekeeping and security. Scanned copies of the performance bonds shall be stored at offsite locations.

Administration Department shall be responsible for monitoring of performance bond validity period and shall inform Finance Department and Procurement Unit within 45 days ahead of expiry dates, so that this can be followed up with the end user / project owner and vendor for the status of project completion.

D.10.2. Performance bond terms and conditions

The value, validity and currency of the performance bond required by HSA shall be mentioned in the contract.

D.10.3. Release of performance bond

Performance bond shall be released to the bidder by the Finance Department after approval of Executive Director, without interest, after recommendation by the end user / Project owner or other beneficiaries.

D.10.4. Performance bond confiscation/ liquidation

In the event the contractors / vendors fail to fulfil all or any part of their obligations under the contract as determined, HSA shall be entitled to confiscate / liquidate the total amount of the performance bond subject to approval of Executive Director. The relevant end user shall coordinate with contractor/vendor through Administration Department. Any disputes shall be resolved through alternate dispute resolution method as provided in the contract. Any decision to confiscate/liquidate the amount of performance bond shall be taken against the contractor/vendor after consultation with the relevant end user departments.

D.10.5. Non-submission of performance bond

In case the bidder fails to submit the performance bond within the agreed time frame, HSA shall be entitled to confiscate / liquidate the bid bond submitted by the bidder and award the contract to the second optimum bidder with the approval of Executive Director, as identified in the Financial Evaluation Committee report.

E. LIST OF MANAGEMENT REPORTS

Serial No.	Title	Frequency	Prepared by	Reviewed/ Approved by
1	Tender Status Report	Monthly	Procurement Officer	HOD-Procurement
2	Procurement Cycle Report	Monthly	Procurement Officer	HOD-Procurement

ANNEXURE – 7.A: COMPOSITION OF TENDER COMMITTEES

HEALTH SERVICES ACADEMY

Composition of Tender Committees

Name of Committee	Committee Function	Composition of Committee	
Tender Opening Committee(TOC)	Opening, registering, and recording receipt of Tenders submitted by the Bidders	• Administration • Procurement • End user/ IT department representative • Finance	• Chairperson • Member • Member • Member
Technical Evaluation Committee (TEC)	Technical evaluation of technical offers in a clearly tabulated form showing all elements of technical criteria	• Administration • Procurement • End user/ IT Department representative	• Chairperson • Member • Member • Member
Financial Bid Evaluation Committee (CEC)	Commercial and financial evaluation and responsibility to check and verify the compliance of all short listed bidders with the tender document terms and conditions.	• Finance • Administration • Procurement • End user /IT department representative	• Chairperson • Member • Member • Member
Negotiation Committee (NC)	Conducts negotiation with short listed bidders	• Executive Director • Chairperson TEC • Chairperson CEC	• Chairperson • Member • Member

Grievances Redressal Committee (GRC)	To address the complaints of bidders that may occur prior to the entry into force of the procurement contract	• Executive Director • Administration • Finance • Procurement • End user/ IT department representative	• Chairperson • Member • Member • Member • Member

ANNEXURE – 7.B: TECHNICAL OFFER OPENING REPORT

HEALTH SERVICES ACADEMY

TECHNICAL OFFER OPENING REPORT

Following structure shall be followed for the Format of Technical Offer Opening Report:-

Tender No:

Tender opening date:

Subject: Tender/Quotation for purchase of:

S. No.	**Name of Bidder**	**Manufacturer of Product**	**Price (Rs)**	**Bid Bond Confirmation** (Yes / No)	**Remarks**

Name of Tender Opening Committee Members, their Signature and Date of Signing,

Note: Annexure (if necessary).

NAME and Signature of the Technical Evaluation Committee

1. Mr/Miss _____ _____
(Signature)

2. Mr/Miss _____ _____
(Signature)

3. Mr/Miss _____ _____
(Signature)

ANNEXURE – 7.C: FINANCIAL OFFER OPENING REPORT

HEALTH SERVICES ACADEMY

FINANCIAL OFFER OPENING REPORT

Following structure shall be followed for the Financial Offer Opening Report:-

Tender No:

Tender opening date:

Subject: tender/Quotation for purchase of:

S. No.	**Name of Bidder**	**Manufacturer of Product**	**Price (Rs)**	**Bid Bond Confirmation (Yes / No)**	**Remarks**

Name of Tender Opening Committee Members, their Signature and Date of Signing,

Note: Annexure (if necessary).

NAME and Signature of the Financial Evaluation Committee

4. Mr/Miss _____ _____
(Signature)

5. Mr/Miss _____ _____
(Signature)

6. Mr/Miss _____ _____
(Signature)

ANNEXURE – 7.D: TURNKEY PROJECT COST COMPARISON

HEALTH SERVICES ACADEMY

TURNKEY PROJECTS
TENDER-WISE COST COMPARISON SCHEDULE

	Description of Cost	Tender A Cost (Rs)	Tender B Cost (Rs)
1.	Price for basic equipment/supply of items according to the tender.	X	X
2.	Price for power equipment	X	X
3.	Civil work cost (with suitable classifications)	X	X
4.	Factory inspection cost	X	X
5.	Installation cost:- Material Labour	 X X	 X
6.	Testing & Commissioning	X	X
7.	Training Cost:- Factory training On site training	 X X	 X X
8.	Hand book no. of sets	X	X
9.	Other misc. cost (if any).	X	X
	Basic Project Cost	**XXX**	**XXX**
10	Price for test equipment/special tools, etc.	X	X
	Total Project Cost	**XXX**	**XXX**
	LESS discount if any	X	X
	Net project cost	**XXX**	**XXX**
11.	Prices for spares	X	X
12.	Optional items (if any)	X	X
	Percentage of installation cost to equipment cost	%	%
	Cost to basic equipment cost.	%	%
	Cost in comparison to expected life.	X	X
	Training cost per trainee per week.	X	X
	Percentage of repair charges to equipment/spare parts cost.	%	%

Note: This is a Typical Format for Turnkey Project Cost Comparison. However, the Format for each individual Turnkey Project Cost Comparison may be different, on a case by case basis.

ANNEXURE – 7.E: MATERIAL SUPPLY COST COMPARISON

HEALTH SERVICES ACADEMY

SUPPLY CONTRACTS
TENDER-WISE COST COMPARISON SCHEDULE

	Description of Cost	Tender A Unit Price	Tender B Unit Price	Quantity	Tender A Total Cost	Tender B Total Cost
		Rs	Rs		Rs	Rs
	Equipment	X	X	X	X	X
	Less Discount %	X	X	-	X	X
A.	Net cost of equipment	X	X		X	X
	Spares	X	X	X	X	X
	Less Discount %	X	X		X	X
B.	Net cost of spares	X	X	-	X	X
	Optional Items	X	X	X	X	X
	Less Discount %	X	X	-	X	X
C.	Net cost of optional	X	X	-	X	X
	Other Costs :					
	Training Cost				X	X
	Any other cost				X	X
					X	X
	Less discount if any %				X	X
D.	Net other costs				X	X
	Net Total Cost (A+B+C+D)				X	X

Note: This is a Typical Format. It may vary from one Tender to another, on a case by case basis.

ANNEXURE – 7.F: BUILDING CONTRACTS COST COMPARISON
HEALTH SERVICES ACADEMY

BUILDING CONTRACT
TENDER – WISE COST COMPARISON SCHEDULE

DESCRIPTION OF COST	TENDER A COST (Rs)	TENDER B COST (Rs)
Excavation	X	X
Concreting	X	X
Block laying	X	X
Asphalt & Roofing	X	X
Carpentry work & joiner	X	X
Metal work	X	X
Plastering	X	X
Floor & wall cladding	X	X
Glazing	X	X
Painting	X	X
Suspended ceiling	X	X
Built-in fittings and furniture	X	X
Plumbing	X	X
External Electrical Works	X	X
A.C & Ventilation system	X	X
Lifts	X	X
External works	X	X
Any other costs with suitable description	X	X
TOTAL COST	**XXX**	**XXX**
LESS DISCOUNT	X	X
NET COST	**XXX**	**XXX**

Note: This is a Typical Format. The same may vary from one Tender to another as the circumstance warrants.

ANNEXURE – 7.G: FEC REPORT STRUCTURE
HEALTH SERVICES ACADEMY

FEC REPORT STRUCTURE

Following structure shall be followed for the report of Financial Evaluation Committee:-

1. Introduction,
2. Objectives,
3. List of the bidders participated in the tender bidding,
4. Short listed bidders,
5. Pros and cons of short listed bidders,
6. Open bid price,
7. Corrected bid prices
8. Price loading
9. Evaluated bid price
10. Conclusion, recommendation for negotiation with the selected vendors and reason for rejection,
11. Name of tender evaluation committee members, their signature and date of singing,
12. Annexure.

ANNEXURE – 7.H: MEMO FOR RFQ CONVERSION TO RFP

HEALTH SERVICES ACADEMY

SPECIMEN (To be customised as per the situation)

Inter Office Memo

TO: (Name, Designation and Department)
FROM: (Name, Designation and Department)
SUBJECT: **RFQ No._____, Title _____**
DATE:

The subject RFQ was floated to ____ (number of bidders) following which ____ (number of bidders) have responded.

Their 'Commercial Offers' have been opened and are as follows:-

S. No.	Name of Bidder	Price (Rs)

Since the offers are exceeding the RFQ limit, a Contract should be finalised with the selected Bidder according to the Procurement policies and Procedures.

Forwarded for your further necessary action.

ANNEXURE – 7.I: MEMO FOR RFP CONVERSION TO RFQ

HEALTH SERVICES ACADEMY

SPECIMEN (To be customised as per the situation)

Inter Office Memo

TO: (Name, Designation and Department)
FROM: (Name, Designation and Department)
SUBJECT: **RFP No._____, Title _____**
DATE:

The subject RFP was floated to ____ (number of bidders) following which ____ (number of bidders) have responded.

Their 'Commercial Offers' have been opened and are as follows:-

S. No.	Name of Bidder	Price (Rs)

Since the offers are below the RFP limit, a PO should be issued to the selected Bidder according to the Procurement Policies and Procedures.

Forwarded for your further necessary action.

ANNEXURE – 7.J: TENDER STATUS REPORT
HEALTH SERVICES ACADEMY

TENDER STATUS REPORT

S. No.	Tender Ref.	Tender Floating Date	Tender Closing Date	Technical Offer Opening Date	Technical Evaluation Status	Financial Offer Opening Date	Financial Evaluation Status	Reasons for delays / Remarks

Comments:

Reviewed By:

Designation: _____
Signature: _____
Date: _____

Approved by:

Designation: _____
Signature: _____
Date: _____

ANNEXURE – 7.K: PROCUREMENT CYCLE REPORT
HEALTH SERVICES ACADEMY

PROCUREMENT CYCLE REPORT

S. No.	Tender Ref.	Tender Invitation Date (A)	Tender Awarding Date (B)	No. of days between A and B	Contract Signing Date (C)	No. of days between B and C	Reasons for delays / Remarks

Comments:

Reviewed By:

Designation: _____
Signature: _____
Date: _____

Approved by:

Designation: _____
Signature: _____
Date: _____

Chapter 8
Issuance and Approval of Purchase Order

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A. SCOPE OF CHAPTER

This chapter states the policies and procedures of Health Services Academy (HSA) relating to the issuance and approval of Purchase Order on completion of earlier phases of procurement as discussed in chapter 3 to 7 of this manual.

Purchase Orders (PO) shall be issued to the approved vendors. The vendors are selected after evaluation of tenders / quotation invited on the basis of Purchase Requisitions received from end user departments, process for which has been discussed in chapters 5, 6 and 7 of the Procurement Manual.

This chapter covers the following areas:

a) Generation and authorization of POs.

b) Amending / cancelling and monitoring PO.

c) Controls over generation of, authorization of and amendments in PO.

Goods and services shall be supplied by vendors on the basis of PO issued by the Procurement Unit.

B. DEFINITIONS

For the purpose of this chapter following terms shall have descriptions given below:

B.1. END USER

'End User' shall refer to any section or department of HSA consuming the goods, or utilising the services procured shall. End users shall be responsible for planning of their procurement of goods and services and raising purchase requisitions in accordance with the established procurement procedures.

B.2. VENDOR

A vendor shall be any person or business organization that sells or qualifies to sell materials or services.

B.3. VENDOR CODE

Code number shall be assigned to a vendor at the time of registration with HSA for identification and reference.

B.4. VENDOR MASTER FILE

Vendor master file shall refer to a file where all relevant details of the approved vendors are maintained.

C. POLICIES

This section contains policies for following aspects of PO issuance and approval

- PO generation
- PO approval
- PO amendment/cancellation
- PO monitoring

C.1. PO AND NON PO BASED ASSETS, SERVICES AND EXPENSES

PO shall be raised for assets, certain expenses and services. These shall be called 'PO-Based" assets, services and expenses. Some expenses and services shall not require generation of PO. These shall be called 'Non-PO based' services and expenses.

C.1.1. PO based assets

PO based assets shall refer to materials and other assets that have been procured by HSA by raising a PO. The terms and conditions agreed between HSA and the vendor shall be documented in a PO and the designated authority approves the PO.

The PO based assets shall include (but not limited to):

- Fixed assets (local and imported) and
- Materials (local and imported).

C.1.2. PO based expenses and services

PO based services and expenses shall refer to services that have been procured by HSA by raising a PO. The rates, quantities and terms and conditions (other than those defined at the time of selection / pre-qualification of vendor) agreed between HSA and the vendor are documented in a PO and the designated authority approves the PO.

The PO based services shall include (but not limited to):

- Repairs and maintenance;
- Advertising and publicity;
- Transportation; etc.

C.1.3. Non PO based services and expenses

Non-PO based services and expenses shall refer to goods or services that have not been procured by HSA through a PO. The designated authority approves the terms and conditions either in form of a contract or on vendor invoice after receipt of the services. Document (such as Service Received Note-SRN) shall be prepared, if applicable, as a proof of receipt of services. The approved invoice shall serve as a proof of receipt of services and shall be recorded without any reference to the PO, SRN.

Non-PO based services and expenses shall be categorised into following two categories:

a) Contract based services and expenses shall include (but not limited to):

- Clearing agent and other import related charges;

- Medical expenses;
- Fuel charges; and
- Other related services;

b) Non-contract based services and expenses can be paid to employees, vendors or to the regulatory authorities. These shall include (but not limited to):

- Payroll and employee benefits;
- Travelling and entertainment expenses of employees;
- Utilities;
- Custom duties, other government levies etc;
- Withholding tax

C.2. PURCHASE ORDERS GENERATION

Purchase Order (PO) shall be generated by the Procurement Officer.

PO shall not be created for a purchase without an approved PR or signed contract. The POs will then be routed through the PO Approval Hierarchy in compliance with the established Delegation of Authorities Matrix.

Technical and commercial details of product or services to be procured shall be extracted from the approved PR or the signed contract by Procurement Officer and included in the PO. PO specific requirements shall be entered that shall be required to be reviewed by HOD-Procurement to ensure technical and commercial consistency with RFQ, signed contract, if any, with the vendor.

PO shall be prepared within 3 days of approval of PR or signing of contract for the procurement.

C.3. PURCHASE ORDERS APPROVAL

For all types of procurement, PO shall be approved as per the Delegation of Authorities Matrix. Please refer to the Delegation of Authorities Matrix.

Once approved it shall be forwarded to vendor who must confirm acceptance of this order with all terms and conditions, by signing, stamping and returning a copy of PO.

C.3.1. Acknowledgment of Purchase Order

Acknowledgement of receipt of the PO shall be obtained from the vendor by the Procurement Officer, as per the terms stipulated in PO. In case the acknowledgement is not received within the stipulated time, Procurement Officer shall follow this up with the vendor. In case non-response/ failure, a final notice may be issued to the vendor mentioning therein that the reply should reach within 7 days failing which the matter regarding non-compliance will be reported to the concerned quarter for taking appropriate action against the vendor.

C.4. AMENDMENTS / CANCELLATION OF PURCHASE ORDERS

Amendments / cancellation of POs shall be initiated on the basis of intimation sent by the HODs of end users to the HOD-Procurement.

Any amendments / cancellation in POs shall be approved by the designated persons who had originally approved the PO.

Any amendment to the technical and commercial terms shall be agreed with vendor and then made to the PO. The same shall be communicated and agreed with vendor.

C.5. PURCHASE ORDERS MONITORING

Progress and status of all POs shall be–monitored through management reports on monthly basis, or as deemed necessary. The Procurement Unit shall also generate exception reports detailing shortcomings, discrepancies, non-delivery delays, etc. for the PO with open status.

Procurement Officer shall generate exception reports. HOD-Procurement shall be responsible to review these reports and distribute them to end-user and Executive Director (where applicable) for follow up and remedial actions, if any.

Long outstanding POs beyond the date of delivery of services or products shall be investigated and appropriate actions shall be taken for such POs by HOD-Procurement after taking end user input.

D. PROCEDURES

Procurement Unit shall issue POs to the approved vendors. The vendors shall be recommended for award of POs after evaluation of tenders / quotations received for supply of goods and services. Process for issuance and authorization of POs has been documented in the following sections: -

i) Generation of PO;

ii) Amendments / cancellation of PO; and

iii) Monitoring of PO.

D.1. PURCHASE ORDERS GENERATION

D.1.1. Purchase Order creation

PO shall be created for 'PO Based' assets, services and expenses. Please refer to C.1.

After the approval of PR by end user department, PR shall be forwarded to the Procurement Unit for initiating the procurement process. Please refer to chapter 5 of the Procurement Manual for details of policies and procedures of raising PRs.

HOD-Procurement, on the basis of approved PR, shall invite tenders /quotations and select the vendor for the supply of goods and services. Please refer to Chapter 6 and 7 of the Procurement Manual for details of polices and procedures of tender processing. Once the vendor has been selected for procurement and a contract has been signed, where required, the Procurement Officer shall create a 'PO' on the basis of approved PR. The PO shall be in the name of the selected vendor. Please refer to Annexure A and B for a copy of the format of PO and standard terms and conditions.

In case of necessity, the HOD-Procurement shall be allowed to reduce the item wise quantity of PO from PR Quantity. If the inspection of goods is required at the vendor's premises, the HOD-Procurement shall specify this requirement on the PO.

For procurement of goods and services based on Request for Quotation (RFQ), for which no contract has been signed by HSA, item unit prices agreed with the vendor at the time shall be entered by the Procurement Officer at the time of preparing the PO.

D.2. PURCHASE ORDERS APPROVAL

After final approval of the Purchase Requisition by the end-user departments, approved PRs references shall be entered into PO by the Procurement Officer. The POs shall be routed through the PO approval hierarchy in compliance with the established Delegation of Authorities Matrix. Once the PO is approved, the same shall be printed and duly signed by authorized signatories.

D.2.1. Acknowledgement of Purchase Orders

PO shall be forwarded to vendor through registered mail/ courier service/ email. An acknowledgement from vendor shall suffice the requirement as acceptance of terms and conditions. In case of local vendors the Procurement Officer may intimate the vendor via telephone to collect the PO in case of non-responsive mails. In case the vendors collect the PO from HSA Office an acknowledgement on a copy of PO shall be taken and filed. These acknowledgements shall form part of the support along with GRN and other supporting documents at the time of processing the invoice from such vendors. Please refer to Chapter xxx titled Creditors, Accounts Payables and Payments of the Financial Management Manual for details on processing invoices and payments.

D.3. AMENDMENTS / CANCELLATIONS OF PURCHASE ORDERS

Procurement Unit may be required to make amendments or cancel the PO under the following circumstances:-

i. If it is later determined that items ordered may not be required by the end user.

ii. End user may require less or more quantity than the ordered quantity or there are some changes to technical specification of items.

This shall depend on the possibility of the revision after consultation with vendors.

HOD of the end user department shall send an official request to the HOD-Procurement advising of any amendments / cancellations required in the PO.

The Procurement Officer on the instructions of HOD-Procurement shall initiate the process of amendment / cancellation. After amending the PO details by the Procurement Officer, PO shall be forwarded for approval to the designated persons who had originally approved the PO.

After the amendments / cancellation, HOD-Procurement shall send the revised PO / intimation of cancellation to the vendor by following the same procedures, as mentioned above.

D.4. PURCHASES ORDER MONITORING

On a monthly basis, or as and when necessary, Procurement Officer shall generate a PO report to identify the following:

- Partial/open POs: against which ordered quantity has not been received completely. This shall identify the items not received within the time stipulated in the PO
- Closed POs during the period covered by the report: against which invoices have been raised
- Cancelled POs: which have been cancelled for reasons mentioned in this chapter
- Pending POs: which are in process of approval or pending for issue

Please refer to annexure C for a copy of the format of PO Report

The mentioned PO report shall be reviewed by HOD-Procurement for identification of delays in receiving the ordered goods and services and identification of dormant POs (i.e. POs against which no shipment is expected in future and which shall be closed). HOD-Procurement shall also collaborate with the end users for pending POs.

Any PO outstanding for more than six months shall be investigated and appropriate action, as determined by the HOD-Procurement, shall be initiated.

E. LIST OF MANAGEMENT REPORTS

Serial No.	Title	Frequency	Prepared by	Reviewed/ Approved by
1	PO Report	Monthly	Procurement Officer	HOD-Procurement

ANNEXURE – 8.A: PURCHASE ORDER

Health Services Academy

PURCHASE ORDER

PO. No: Date:

Vendor's Name
To: Place of Delivery:

Contract – Purchase:
P.R. No.:

This order is issued for supply of the items / materials stipulated below based on your offer ref:
Quotation Date:

SI No.	Item description	Units of Measurement	Quantity	Unit Price	Discount %	Total price

Amount in words:

Vendor must confirm acceptance of this order with all terms and conditions to, by signing, stamping and returning this copy as indicated below.

Terms and Conditions:

Payments terms:

Other Terms:

On behalf of Health Services Academy (HSA):

Prepared by:
(Procurement Officer)

Approved by:
Deputy Director (Admin)

Authorized by:
Deputy Director (Finance)

On behalf of_____ this order is duly accepted on:_____

Name_____ Designation:_____ Signature:_____ Stamp:____

ANNEXURE – 8.B: PURCHASE ORDER – TERMS AND CONDITIONS

Health Services Academy

PURCHASE ORDER

(Purchase Order No# _____)

1. Complete shipment of order is required unless otherwise specified in the delivery schedule.
2. For Payment purpose, the following documents should be sent to Health Services Academy, Procurement Unit:
    a. Copies of Invoice (original only certified) as per price schedule/BOQ, showing description of goods, code, unit price, total price.
    b. Copy of sales tax invoice, if applicable
    c. Others (to be specified on case-to-case basis

3. **Delivery** The time of delivery shall start from the date of acceptance of the order.
4. **Progressing** HSA will make regular queries on the progress of the Order. Such queries must be answered promptly and accurately.
5. **Inspection** HSA shall reserve the right to inspect or nominate inspectors to inspect the goods before dispatch from the vendor's premises, but such inspection shall not relieve the vendor from responsibility and liability nor be interpreted so as in any way to imply acceptance of such goods. The inspectors must supervise/ensure that only the inspected/cleared goods have been packed and given to the designated carrier. (If Applicable). On receipt of goods in HSA, a member of Technical Evaluation Committee will inspect the goods in the presence of vendor/ representative. A certificate regarding satisfactory receipt of goods will be prepared and signed by the member of Technical Evaluation Committee and vendor/ representative.
6. **Rejected Goods**. Damaged or wrongly supplied goods shall be rejected by Technical Evaluation Committee in the presence of vendor/ representative and shall be replaced by the vendor without charging any additional cost etc to HSA.
7. All goods supplied against this order or under a Contract shall be matched with the required specifications and shall be brand new, latest version and shall carry minimum of 12 months unconditional warranty against manufacturing defects etc supported by warranty on judicial stamp paper duly attested by oath commissioner.

8. Items considered as hazardous cargo as per IATA should be dispatched by Sea Fright or surface parcel post by the vendor at their cost to the HSA premises.

9. **Quantity:** No quantity over and above that requested in the order will be received and paid the cost etc, if supplied without advance written authority/ request of HSA.

10. Termination

10.1 If the vendor fails to comply with any of the above conditions, the order shall be terminated by HSA by immediate notice and at vendor's expense. Such termination shall not prejudice any legal action subsequently taken by HSA against the vendor for the breach of contract/order.

10.2 HSA reserves the right to terminate this order/ contract in whole or in part at any time. However only those quantity of goods, which is ready for shipment within 3 days after the issue of the termination notice, shall be purchased by HSA as per terms and condition of this order/ contract. For remaining goods, HSA may reimburse the vendor for any expenses incurred for the partially completed goods referred to above at actual which is to be substantiated by the vendor.

10.3 If contractor found in any malpractice, fraud or Corruption etc contract will be terminated without any notices.

10.4 If any part of delivery found sub- standard, low-quality or illegal etc, contract will be terminated without any notice and appropriate action shall be taken against the contractor.

11. **Indemnity.** The vendor shall fully indemnify HSA against all actions, claims, damages, and cost incurred by reason of any infringement of any intellectual property rights or against any kind of third party's claim with respect to supplied goods.

12. **Force Majeure.** The vendor shall not be liable for forfeiture of its performance bond or any penalty or termination for default, if and to the extent that, its delay in performance is the result of an event of Force Majeure.

13. **Insurance.** The goods shall be fully insured by vendor against any losses or damages etc. till the delivery or for any extended period as instructed by HSA.

15. **Standards and Specifications**. The goods shall conform to the standards & Specifications fixed and provided to the vendor by HSA.

ANNEXURE – 8.C: PURCHASE ORDER REPORT

Health Services Academy

PURCHASE ORDER REPORT

Created by	Ref Doc No.	Vendor Name	Creation Date	Doc Date	Purchase Org	Document Status (Partial ,Pending, closed, Cancelled)	Purchase Order Type	Net Amount

Comments:

Reviewed By:

Designation: _____
Signature: _____
Date: _____

Approved by:

Designation: _____
Signature: _____
Date: _____

Chapter – 9
Low Value Purchases

LIST OF ACRONYMS

GRN	Goods Received Note
HOD	Head Of Department
HSA	Health Services Academy
LVP	Low Value Purchases
PO	Purchase Order
PR	Purchase Requisition

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A. SCOPE OF CHAPTER

This chapter states the policies and procedures of Health Services Academy (HSA) relating to the procurement of Low Value Purchases (LVP).

Low Value Purchases shall cover day-to-day purchasing needs of general nature items/services by end-users in HSA.

Low Value Purchases shall be made after a Purchase Requisition is received from the end user department. The process for raising the Purchase Requisition for LVP will be the same as for any other Purchase Requisition. Please refer to chapter 5 of Procurement Manual for details of policies and procedures of raising a Purchase Requisition.

LVP shall cover all the goods/ services Rs 5,000 and up to Rs 25,000[1] per PR.

Goods/ services up to value of Rs 5,000[2] shall be met from petty cash maintained by finance department. Please refer to chapter xx of Financial Management Manual for details of policies and procedures of Petty Cash maintenance.

This chapter has been broadly divided into the following Areas: -

a) Procurement process for LVP and their authorization.

b) Monitoring of LVP.

[1] Rule 42 (b) of the Public Procurement Rules 2004
[2] Rule 42 (a) of the Public Procurement Rules 2004

B. DEFINITIONS

For the purpose of this chapter following terms shall be refer the descriptions given below

B.1. END USER

End user shall refer to any region, section or department of HSA utilising the goods and services procured. End users shall be responsible for planning of their procurement and raising Purchase Requisitions in accordance with the procurement procedures.

B.2. LOW VALUE PURCHASES (LVP)

LVP shall include any kind of procurements for items/services made by end user departments in HSA for amounts over Rs 5,000 and up to the value of Rs 25,000 through purchase orders.

C. POLICIES

This section contains policies for following aspects of low value purchases:

- Raising the requirement for LVP
- Authorisation of LVP requirement
- Receiving of LVP
- Monitoring of LVP procurements

C.1. REQUISITION FOR LOW VALUE PURCHASES (LVP)

LVP shall include any kind of purchase made by HSA for purchases over Rs 5,000 and up to Rs 25,000.

PR shall be raised for all LVP. Please refer to chapter 5 of Procurement Manual for details of policies and procedures of raising a Purchase Requisition.

It shall be the responsibility of HOD-Procurement to ensure that LVP are not deliberately broken down into amounts of Rs 5,000 and less to take advantage of less stringent procurement procedures.

Purchase over Rs 5,000 and up to the value of Rs 25,000 shall be made after obtaining three quotations from the approved vendors.

C.2. LOW VALUE PURCHASES AUTHORISATION

LVP shall be made from the vendor matching the technical and financial feasibility requirements of HSA. A comparative statement shall be prepared based on quotations received from at least 3 vendors.

Comparative statements and Purchase Order for LVP shall be approved by HOD-Procurement for all procurements.

The normal procurement procedures such as tendering, formation of committees and technical evaluation shall not be followed for LVP. However, vendor registration shall be performed as per HSA policy to process the purchase orders and payments.

C.3. RECEIVING OF LVP

Goods Received Note (GRN) or service order shall be prepared by the end user to record the receiving of goods and services for LVP as well.

C.4. MONITORING OF LOW VALUE PURCHASES

On a monthly or on need basis, the HOD-Procurement shall review the list of POs raised during the month for LVP to ensure the reasonability of expenditure by making a comparison with the previous month.

D. PROCEDURES

Procurement process for LVP shall be initiated after duly approved Purchase Requisitions have been received from the end user Department. LVP shall be executed by the Procurement Department. Procurement process for LVP has been documented in the following sections and has been divided in to following aspect:

- Raising the requirement for LVP
- Authorisation of LVP requirement
- Receiving of LVP
- Monitoring of LVP procurements

D.1. REQUISITION FOR LOW VALUE PURCHASES

Purchase Requisition shall be raised and approved for LVP and processed in the same manner as for purchases above LVP limits. Please refer to chapter 5 of Procurement Manual for details on polices and procedures of raising Purchase Requisition.

D.2. LOW VALUE PURCHASE AUTHORIZATION

Purchase Requisitions shall be raised by the concerned end user and authorized as per Delegation of Authority Matrix.

The normal procurement procedures such as tendering, formation of committees and technical evaluation shall not be followed for LVP. However, vendor registration shall be performed as per HSA policy to process the purchase orders and payments.

Authorised Purchase Requisition for all departments shall be received by the Procurement Unit to initiate the procurement process.

A minimum of three quotations shall be obtained from the vendors for value above Rs 5,000 and upto Rs 25,000. A Comparative Quote Analysis shall be prepared by the designated personnel in the Procurement Unit for evaluating and summarising the details of quotations received. *Please refer to annexure A for a copy of the Comparative Statement.*

Comparative Statement and purchase orders for LVP shall be approved by HOD-Procurement.

Policies and procedures related to raising, approval, cancellation, amendment of PO shall be the same as for other purchases. Please refer to chapter 8 of Procurement Manual for details of such policies and procedures of POs.

D.3. RECEIVING OF LVP

Goods Received Note (GRN) or service order shall be prepared by the designated official of stores department to record the receiving of goods and services for LVP as well. Please refer to chapter xx of Financial Management Manual for details of policies and procedures for receipt and handling of items procured as LVP.

D.4. MONITORING OF LOW VALUE PURCHASES

On a monthly or as and when needed, the HOD-Procurement shall review the list of POs raised during the month for LVP to ensure the reasonability of expenditure by making a comparison with the previous month. *Please refer Annexure B, for a copy of Low value Purchase Report*. The Report shall be signed as an evidence of review and filed for future reference.

E. LIST OF MANAGEMENT REPORTS

Serial No.	Title	Frequency	Prepared by	Reviewed/ Approved by
1	Low Value Purchases Report	Monthly or as needed	Procurement Officer	HOD-Procurement

ANNEXURE – 9.A: COMPARITIVE STATEMENT
Health Services Academy

COMPARITIVE STATEMENT

Dated____/____/____

Department:

S. No.	Item Description	Vendor 1 Price (including all taxes and duties) Rs	Vendor 2 Price (including all taxes and duties) Rs	Vendor 3 Price (including all taxes and duties) Rs	Order awarded to

Remarks / Justification (if any) _____

_____

Prepared by _____

Prepared by: HOD (Procurement)_____

Reviewed by: Deputy Director (Finance) _____

Approved by: Deputy Director (Admin) _____

ANNEXURE – 9.B: LOW VALUE PURCHASES REPORT

Health Services Academy

LOW VALUE PURCHASE REPORT

S. No.	PO No.	PO Date	Department	Item	Quantity	Unit Rate	Amount
Total Amount of Low Value Purchases for the current month							
Total Amount of Low Value Purchases for the previous month							

Comments:

Reviewed By:

Designation: _____
Signature: _____
Date: _____

Approved by:

Designation: _____
Signature: _____
Date: _____

Chapter 10

USAID/ Other donors funded procurements

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ANNEXURE:

Annexure-10.A PROCUREMENT COMPLIANCE CHECKLIST

A. SCOPE OF CHAPTER

This chapter states the policies and procedures of Health Services Academy (HSA) relating to the procurements of goods and services out of USAID funds.

Procurement Unit shall ensure compliance with the US Government regulations (either stated in the Mandatory Standard Provisions of the program agreement or otherwise) in addition to the Procurement Manual of HSA and Public Procurement Rules 2004, while procuring goods and services for the USAID funded programs. Whenever these rules/ regulations are in conflict, the provisions of such agreement shall prevail to the extent of such conflict[1].

This chapter covers the following areas:-

- Compliance framework
- Applicable Cost principles
- Ineligible/ restricted goods
- Source, origin and nationality of vendors
- Review of Excluded Parties List System
- Women-led businesses and those owned by disadvantaged groups

This chapter supplements the procurement policies and procedures set out in Chapters 1 to 9 of the Procurement Manual for procurements funded under USAID programs. For procurements funded by other donors, requirements of the program agreement with that donor shall prevail.

[1] Rule 5 of the Public Procurement Rules 2004

B. DEFINITIONS

For the purpose of this chapter following terms shall have given descriptions:

B.1. SOURCE OF GOODS/ VENDORS

The country from which a commodity is shipped to the cooperating country (or the cooperating country itself if the commodity is located therein at the time of the purchase). In the case of a commodity shipped from a free port or bonded warehouse in the same form it was received therein, "source" is the country from which the commodity was shipped to the free port or bonded warehouse.

B.2. ORIGIN OF GOODS/ VENDORS

The country where a commodity is mined, grown or produced. A commodity is produced when, through manufacturing, processing, or substantial and major assembling of components, a commercially recognized new commodity results that is significantly different in basic characteristics or in purpose or utility from its components.

B.3. NATIONALITY OF VENDORS

For purposes of USAID's procurement rules, nationality refers to the place of incorporation, ownership, citizenship, residence, etc. of suppliers of goods and services.

B.4. EXCLUDED PARTIES LIST SYSTEM (EPLS)

The EPLS is a widely available source of the most current information about persons who are excluded or disqualified from covered transactions.

C. POLICIES

This section contains policies for following aspects of USAID funded procurements:

- Compliance framework
- Applicable Cost principles
- Ineligible/ restricted goods
- Source, origin and nationality of vendors
- Review of Excluded Parties List System
- Women-led businesses and those owned by disadvantaged groups

C.1. COMPLIANCE FRAMEWORK

Several important U.S. government regulations and policies direct the procurement process. Most notable among the regulations are:

- **Federal Acquisition Regulation (FAR):** Establishes the U.S. government's regulations regarding uniform policies and procedures for acquisitions by executive agencies of the federal government.

- **Code of Federal Regulations (CFR)**: A codification of the general and permanent rules published in the Federal Register by government executive departments and agencies. 22 CFR 226 contains provisions relating to inventory requirements, property management requirements and other procurement requirements, including definitions and regulations on equipment, codes of conduct including avoidance of conflict of interest, competition, written procurement procedures and the required flow-down clauses and record keeping. In addition, 22 CFR 228 provides the fundamental regulations on source, origin, and nationality concerns for USAID-funded procurements.

- **USAID Acquisition Regulation (AIDAR):** USAID's agency-specific regulations that supplement the FAR.

- **Automated Directives System (ADS):** USAID's policy guidelines that highlight directives and required procedures.

Procurement Unit shall ensure compliance with the applicable regulatory framework referred above.

C.2. COST PRINCIPLES

Procurement Unit shall ensure that all costs incurred for USAID funded programs are allowable, allocable and reasonable in accordance with the applicable cost principles.[2]

[2] OMB Circular A-21: Cost Principles for Educational Institutions

C.3. INELIGIBLE/ RESTRICTED GOODS

Special restrictions apply to USAID-financed purchases of agricultural commodities, motor vehicles, pharmaceuticals, contraceptive products, pesticides, used equipment and fertilizer. In addition, several types of commodities are generally ineligible for USAID financing.[3]

Procurement Unit shall ensure compliance with the restrictions provided in ADS Chapter 312 Eligibility of Commodities.

3 ADS Chapter 312 Eligibility of Commodities

C.4. SOURCE, ORIGIN AND NATIONALITY OF VENDORS

Procurement Unit shall ensure that goods and services are procured only from the authorized Geographic Code mentioned in the implementation instrument. USAID has established principal geographic codes which are used by USAID in implementing instruments. HOD-Procurement shall refer to 22CFR228 for principles governing source, origin and nationality of goods and services to be procured.

C.5. REVIEW OF EXCLUDED PARTIES LIST SYSTEM (EPLS)

Procurement Unit shall review the EPLS after the opening of bids or receipt of proposals. In addition the Procurement Unit shall also review EPLS again, immediately prior to award, to ensure that no award is made to a listed contractor.[4]

4 Federal Acquisition Regulations FAR Subpart 9.405(d)

C.6. WOMEN-LED BUSINESSES AND THOSE OWNED BY DISADVANTAGED GROUPS

HOD-Procurement shall ensure that the procurement solicitations clearly specify that women-led businesses and those owned by disadvantaged groups are encouraged to submit their quotes/ proposals.

Special quotas in procurement may be allocated to the women-led businesses and those owned by disadvantaged groups, subject to the approval of the BOG.

D. PROCEDURES

This section contains procedures for following aspects of USAID funded procurements:

- Compliance framework
- Applicable Cost principles
- Ineligible/ restricted goods
- Source, origin and nationality of vendors
- Review of Excluded Parties List System

D.1. COMPLIANCE FRAMEWORK

HOD-Procurement shall supervise the compliance review of each procurement transaction through a Procurement Compliance Checklist. *Please refer to Annexure-A for the Procurement Compliance Checklist*.

D.2. COST PRINCIPLES

HOD-Procurement shall supervise compliance with the applicable cost principles (OMB Circular A-21: Cost Principles for Educational Institutions) prior to the initiation of procurement process. Basic considerations for this purpose shall be: [5]

- **Composition of total costs:** The cost of a sponsored agreement is comprised of the allowable direct costs incident to its performance, plus the allocable portion of the allowable Facilities and Administration (F&A) costs of the institution, less applicable credits.

- **Factors affecting allowability of costs:** The tests of allowability of costs under OMB Circular A-21 are:

  (a) they must be reasonable;
  (b) they must be allocable to sponsored agreements under OMB Circular A-21 and methods provided;
  (c) they must be given consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances; and
  (d) they must conform to any limitations or exclusions set forth in OMB Circular A-21 or in the sponsored agreement as to types or amounts of cost items.

- **Reasonable costs:** A cost may be considered reasonable if the nature of the goods or services acquired or applied, and the amounts involved therefore, reflect the action that a prudent person would have taken under the circumstances prevailing at the time the decision to incur the cost was made. Major considerations involved in the determination of the reasonableness of a cost are:

  (a) whether or not the cost is of a type generally recognized as necessary for the operation or the performance of the sponsored agreement;
  (b) the restraints or requirements imposed by such factors as arm's length bargaining, laws and regulations, and agreement terms and conditions;
  (c) whether or not the individuals concerned acted with due prudence in the circumstances, considering their responsibilities; and,
  (d) the extent to which the actions taken with respect to the incurrence of the cost are consistent with established institutional policies and practices applicable to the work of the organization generally, including the sponsored agreements.

[5] Section C of the OMB Circular A-21: Cost Principles for Educational Institutions

D.3. INELIGIBLE/ RESTRICTED GOODS

HOD-Procurement shall ensure compliance with the restrictions provided for in the ADS Chapter 312. HOD-Procurement shall consult the recent version of the ADS for ensuring the updated list of ineligible/ restricted goods by visiting the web link:

http://transition.usaid.gov/policy/ads/300/312.pdf

D.4. REVIEW OF EXCLUDED PARTIES LIST SYSTEM (EPLS)

It shall be the responsibility of HOD-Procurement to ensure that the Procurement Officer has reviewed the EPLS by visiting https://www.epls.gov/ before proceeding to a transaction with a vendor. Results of the review of the EPLS shall be documented in the procurement files by the Procurement Officer.

ANNEXURE – A: PROCUREMENT COMPLIANCE CHECKLIST

(Excel file annexed)